



Rheinmetall Group Corporate Presentation

January 2020



RHEINMETALL GROUP STRUCTURE.

Group performance indicator

Grow sales around 8%	~8% op. margin
Targeted 2-4% Cash on sales	30-35% payout ratio

Strategy roadmap

Organic growth	International expansion
Leading by innovations	Targeted acquisitions

RHEINMETALL GROUP

AUTOMOTIVE *Our heart beats for your engine*

Op. margin	€2,930m
8.9%	€265m
	*€478m
	11,710

48%
53%
51%

2018

Sales
Oper. Result
Order backlog
Headcount**

DEFENCE *Force protection is our mission*

52%	€3,221m	Op. margin
47%	€247m	7.9%
	€8,577m	
49%	10,948	

* Short-term; **Headcount at capacities;

Rheinmetall Group

2019: Defence performance to overcompensate Automotive



Overall weak end markets, continuation of reduced momentum expected

- + Strong performance in China
- + Competitive product portfolio
- + Entrance in new markets (5G)
- Diesel impact
- GM strike
- Czech plant issues
- Malware attack



Positive macro environment for Defence will continue in the coming years

- + Strong order intake
- + High sales execution profile
- + Favorable sales mix
- + Margin increase
- Export limitations

Q3 2019 Group commercial highlights

Weak Automotive compensated by Defence performance

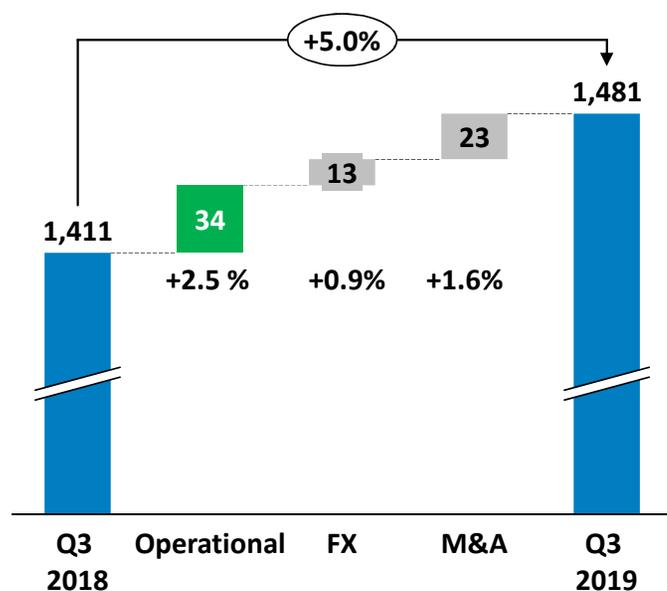


- Order backlog on high level
- Organic sales at constant exchange rates grew +2.5%* (reported 5.0%) to €1.5bn
- Operating result stable with significant shift between the segments
- EPS decline of 26% to €1.33 after PY €1.80 (including €0.47 real estate gain)
- Operating FCF down €11m yoy to -€127m including €15 m CTA funding
- FY Guidance specified

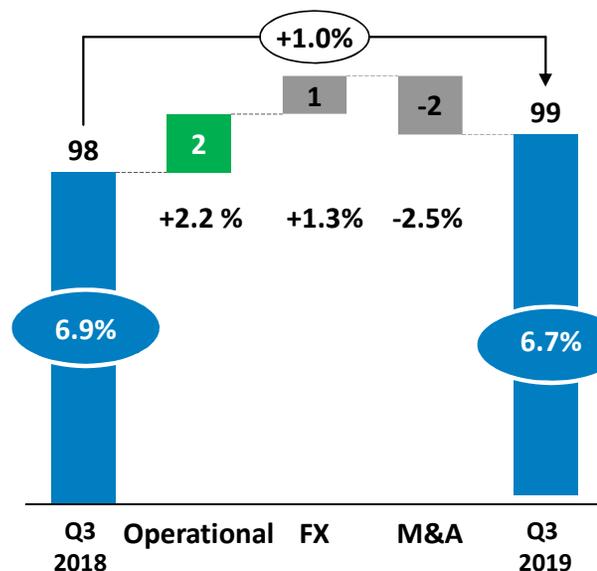
Q3 2019 Group commercial highlights

Operational improvement of sales and operating result

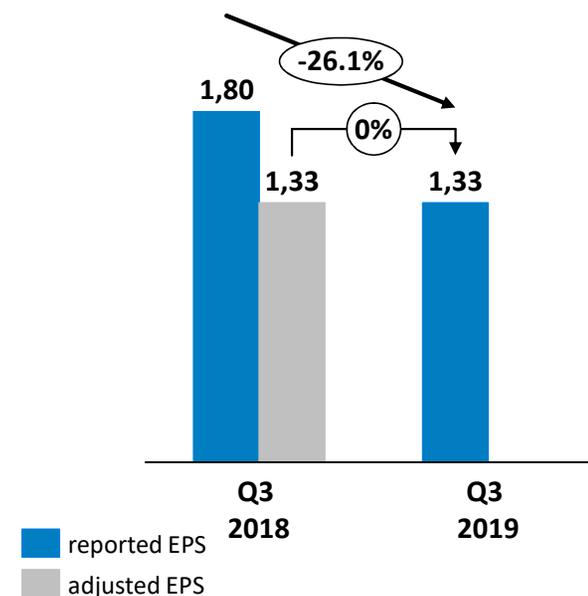
■ Sales
in €m



■ Operating result in €m
Operating margin in %



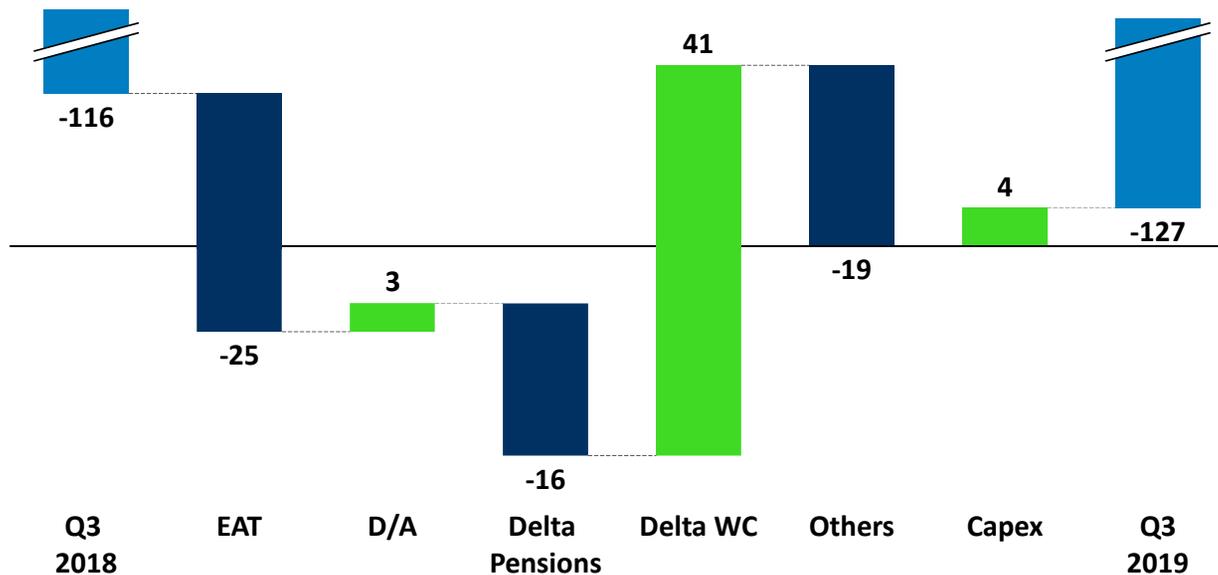
■ Earnings per share
in €



Q3 2019 Group commercial highlights

Operating Free Cash Flow improved operationally

■ Operating free cash flow bridge
in €m



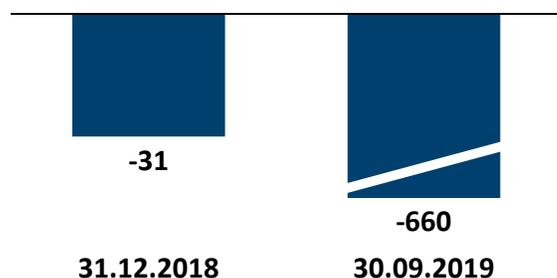
- EAT operationally improved
- CTA funding of €15 m included in Pensions
- Strong support from working capital optimization in Automotive

Q3 2019 Group commercial highlights

Financial KPI impacted by M&A transactions and pension topic

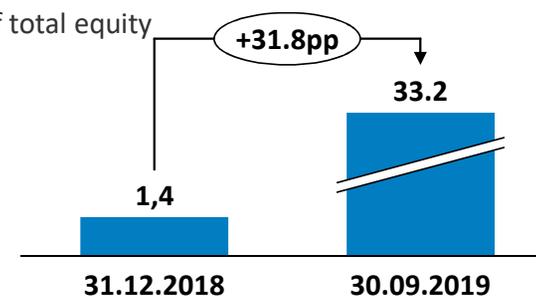
Net financial debt

in €m



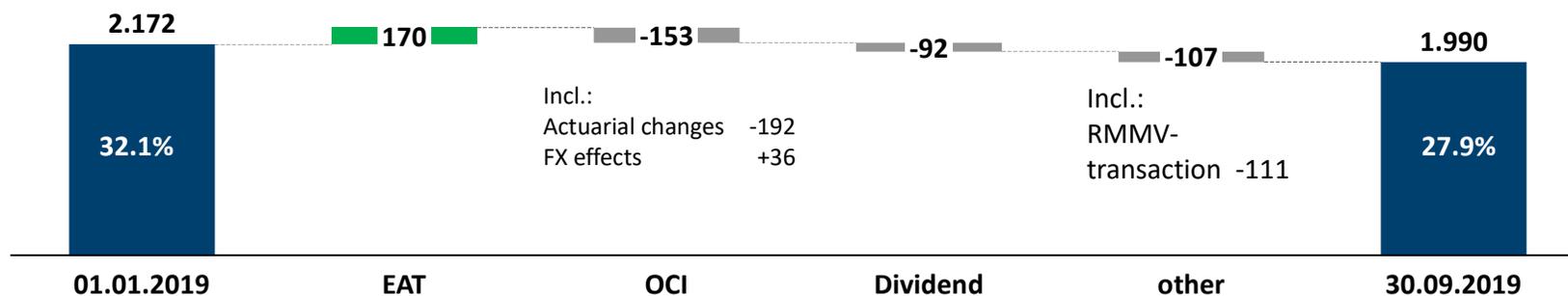
Net gearing

Net debt in % of total equity



Equity bridge

in €m and equity margin in %



FY 19 Guidance

Group margin guidance held stable

		Sales		Operating margin	
		2018 Growth y/y in % at constant FX	2019e Growth y/y in % at constant FX	2018 in %	2019e in %
GROUP		6.1	Slightly above 1	8.0	Around 8
AUTOMOTIVE		4.2	Around -7	8.9	Around 6.5
DEFENCE		7.9	Around 9	7.9	Slightly above 9.5

Operational growth at constant FX

FY mid-term guidance next three years

Sales growth and earnings improvement targeted

Mid-term

Sales growth

Mid-term

Operating margin

AUTOMOTIVE



Flat to slow growth

Short-term setback to 5-7% (incl. micro mobility -€12m in 2020); mid-term recovery to around 8%

DEFENCE



6-8%

9-10%

Operational growth at constant FX



Automotive

Q3 2019 Highlights: Automotive Non-LV business and absence of equipment sales burdened the quarter

Quarterly sales and margin development



Comments on quarterly performance

- Sales decline of -6.9% (FX-adjusted -8.5%)
- LV sales were down 3.4%, in line with Global LV production of -3.2%*
- Non-recurring China equipment sales and weak non-LV business created pressure on sales
- Low visibility until year's end remains the key issue
- OFCF benefited from improved working capital management

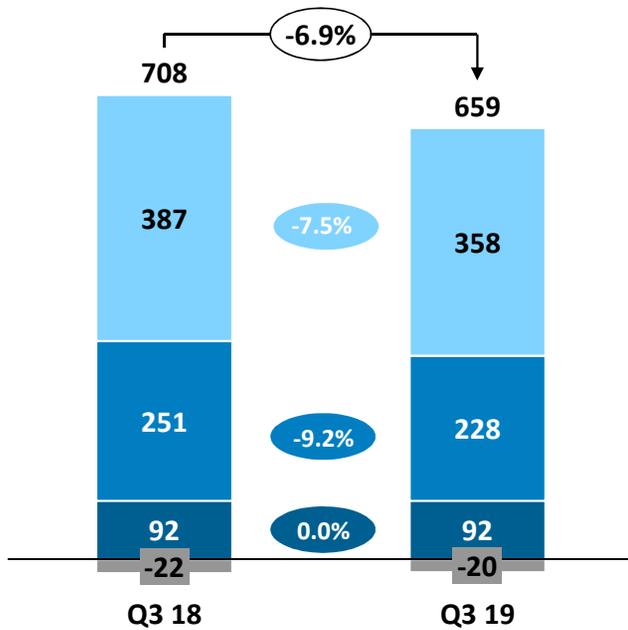
In €m	Q3 2018	Q3 2019	Δ	YTD 2018	YTD 2019	Δ
Sales	708	659	-6.9%	2,199	2,099	-4.6%
Operating result	60	43	-28.3%	193	144	-25.4%
Operating margin in %	8.5%	6.5%	-200 bp	8.8%	6.9%	-190 bp
Operating Free Cash Flow	-2	6	400.0%	-16	-8	50.0%
Operating FCF / Sales	-0.3%	0.9%	120 bp	-0.7%	-0.4%	30 bp

*IHS Markit: 5 November 2019

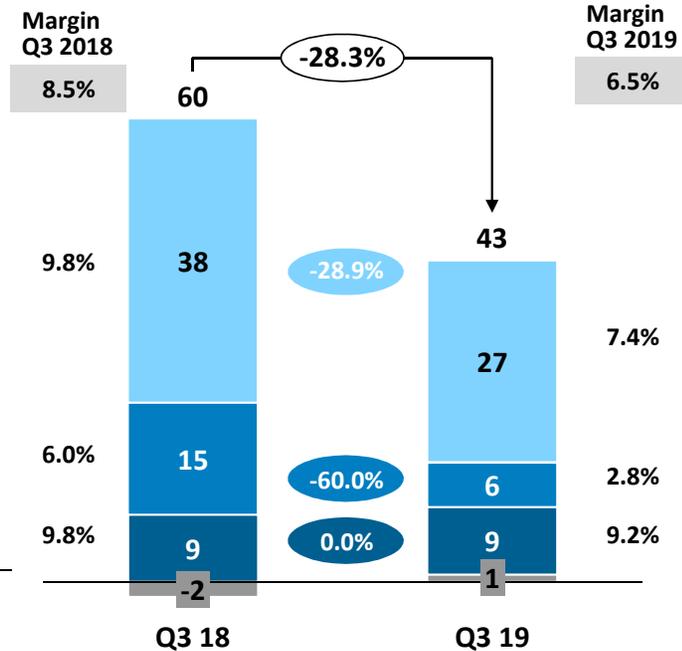
Q3 2019 Highlights: Automotive

Negative business development in all divisions and end markets

Sales Automotive
in €m



Operating result Automotive
in €m



■ Mechatronics ■ Hardparts ■ Aftermarket ■ Consolidation/Others

Mechatronics

- Slow LV endmarkets
- R&D for e-mobility

Hardparts

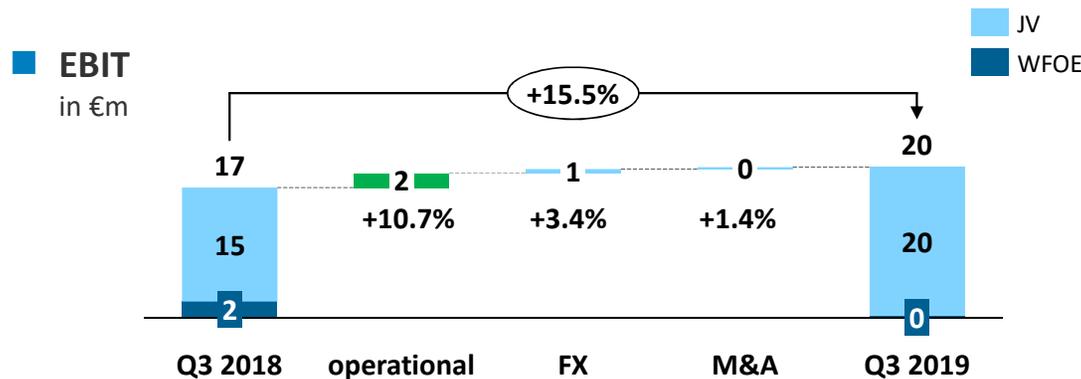
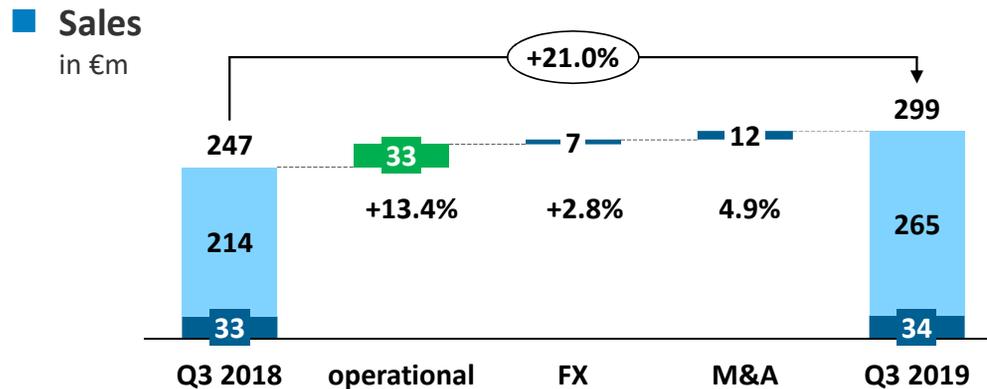
- Underlying business flat y-o-y, equipment sale already in Q2 '19
- Operational issues at CZ plant persisted

Aftermarket

- Stable results in weak markets

Q3 2019 China Total Management View

Strong sales growth against the market trend



- Strong operation sales growth of 21% due to successful ramp ups, supported by M&A versus a contracting China LV production of -5.5% (YTD -10.6%)*
- EBIT increased by 15.5% to €20m, but margin declined slightly from 7.0% to 6.7% due to adverse portfolio effects and ramp up cost for new products

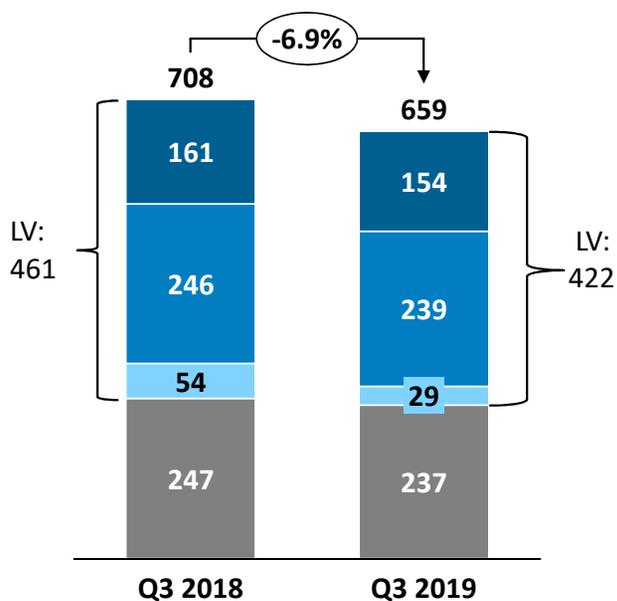
Including 100% figures of 50/50 JV, consolidated at equity

*IHS Markit: 5 November 2019

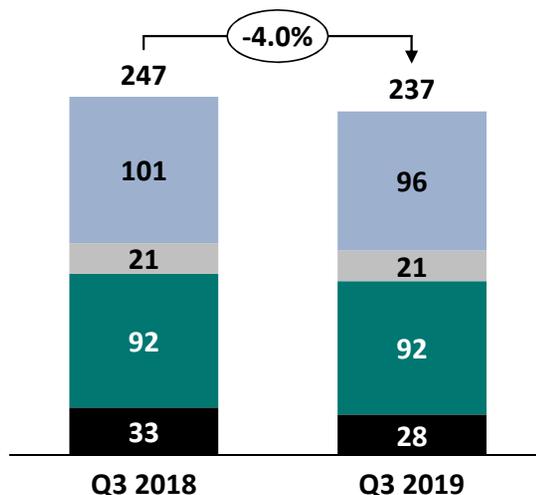
Q3 2019 Highlights: Automotive

All end markets under pressure

■ Sales split LV / Non-LV
in €m / in %



■ Sales split Non-LV
in €m / in %



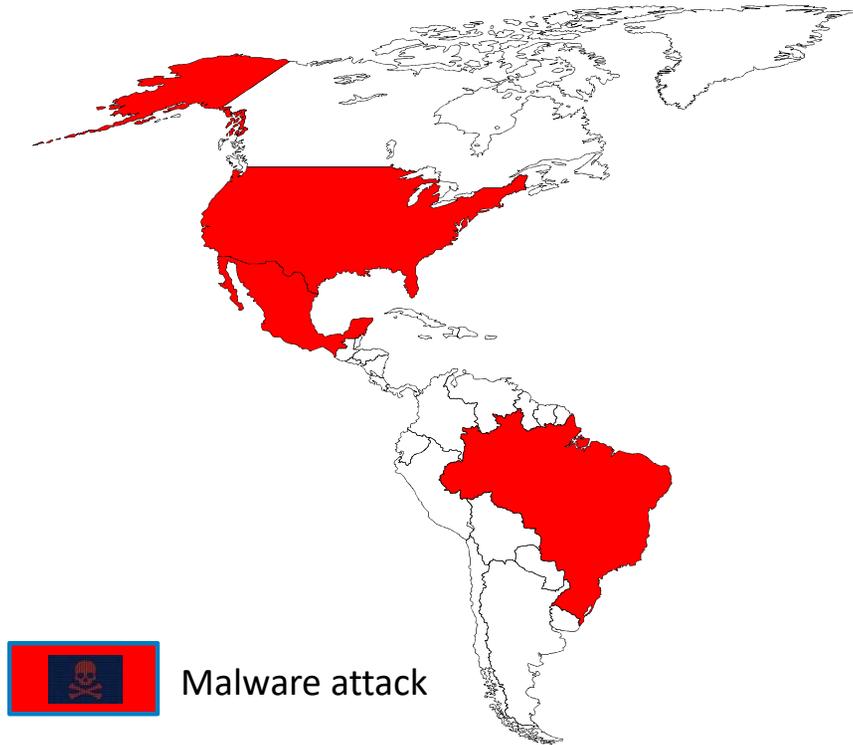
	absolute	Delta in %	
Diesel	-7	-4.3%	-3.4%
Gasoline	-7	-2.8%	
other LV**	-25	-46.5%	
LV Business	-39	-8.4%	
Truck	-5	-4.6%	-4.1%
Large Bore	0	+1.9%	
Aftermarket	0	0%	
Other*	-5	-15.2%	
Non-LV Business	-10	-4.0%	

* Other: MIR, Industrie, Continuous casting

** Including €20m equipment sales

Q3 2019 Highlights: Automotive

Malware attack: Basic system environment reestablished, clean up continues

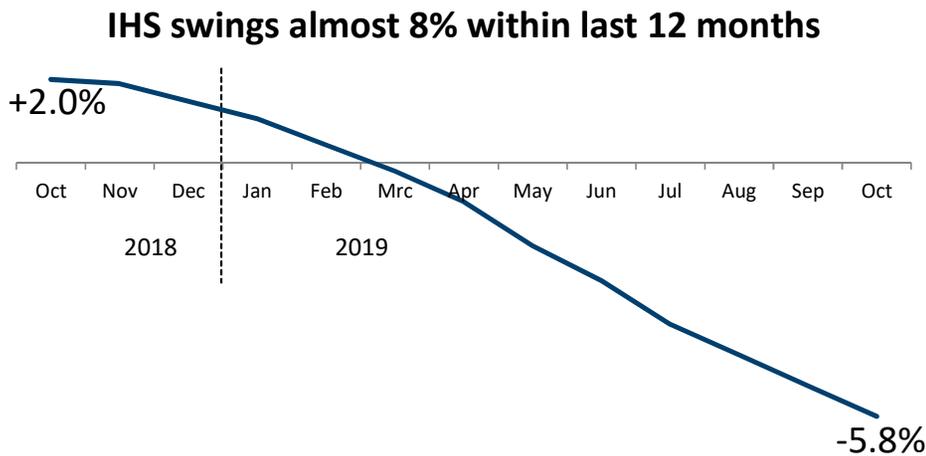


- Malware attacked legal entities in the Automotive domain in the US, Mexico and Brazil
- No infection of Defence systems detected
- Production could be generally maintained, except warehouse for Aftermarkets business
- Internal and external IT support as well as several governmental agencies involved
- Limited topline effect due to successful set up of work-arounds
- EBIT effect expected at around €6-8m in Q4 2019
 - Higher logistic expenses
 - Consultant fees

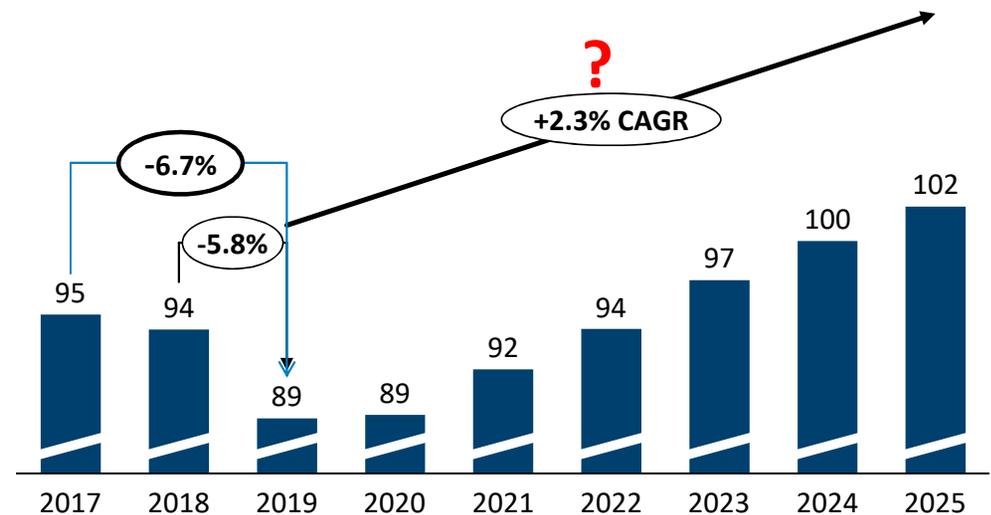
Automotive market

IHS revised 2019 LV volumes repeatedly and provides weak outlook

■ IHS 2019 forecast



■ IHS Mid-term outlook with growth on low level

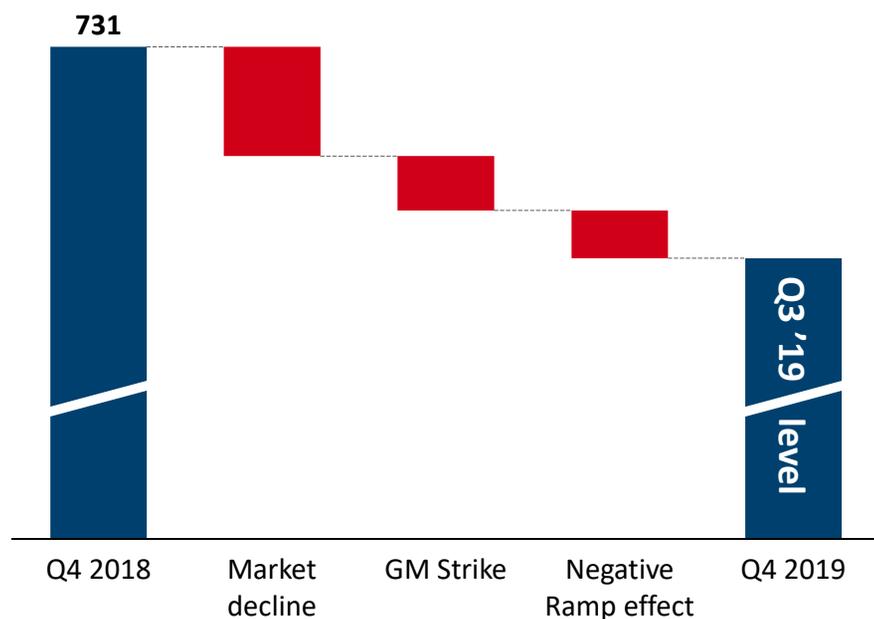


Latest industry comments are very cautious short to mid-term!

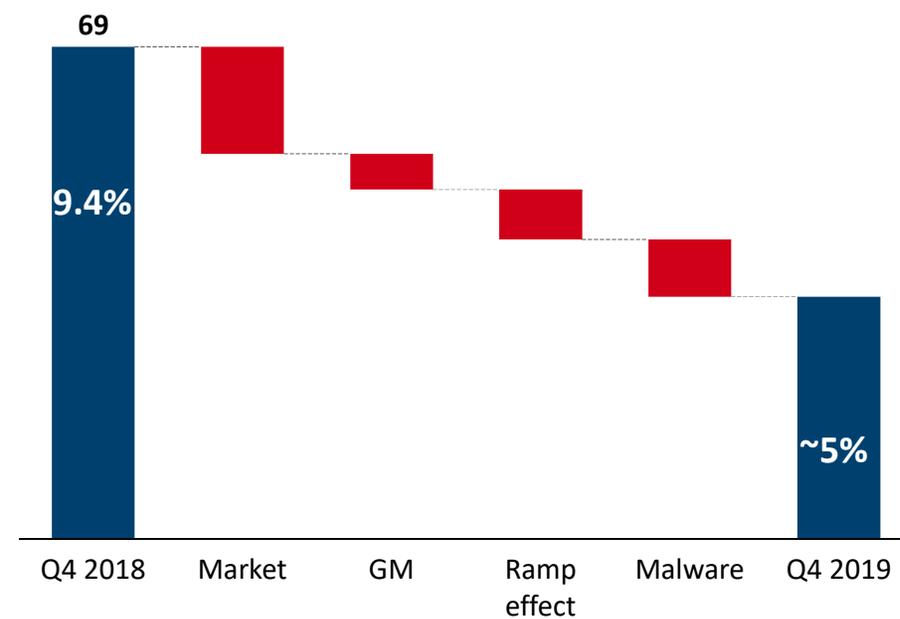
Automotive Q4 2019 effects

Automotive impacted by special effects beyond market deterioration

■ Sales bridge
in €m

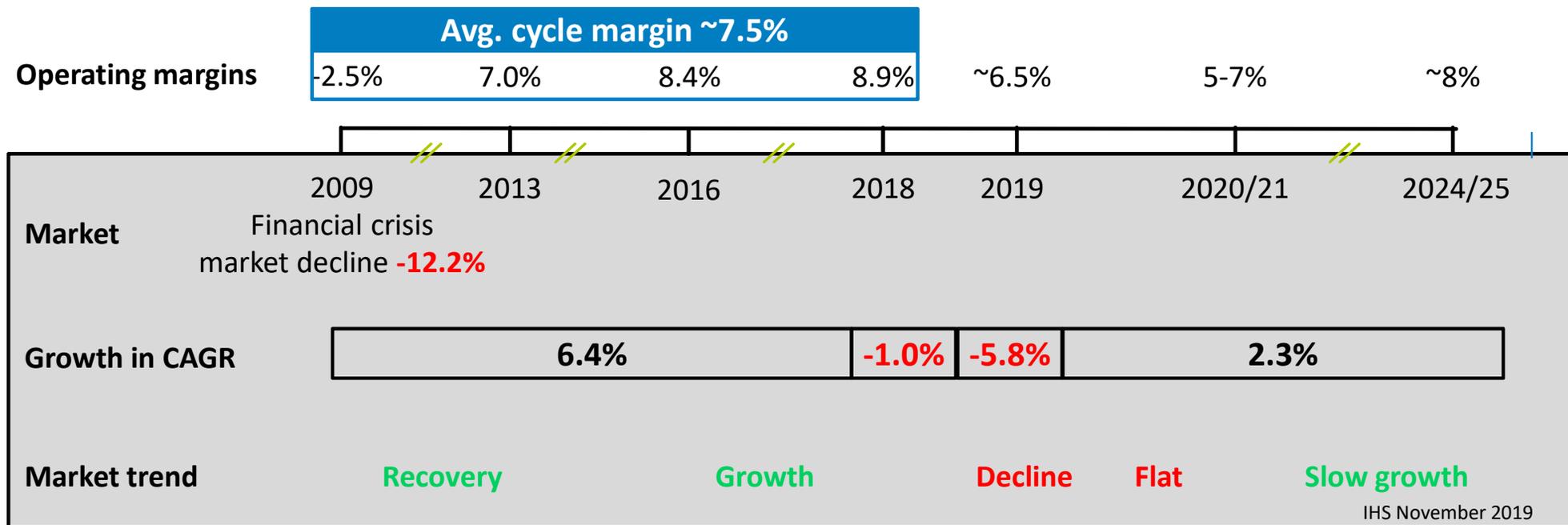


■ Operating result
in €m and %



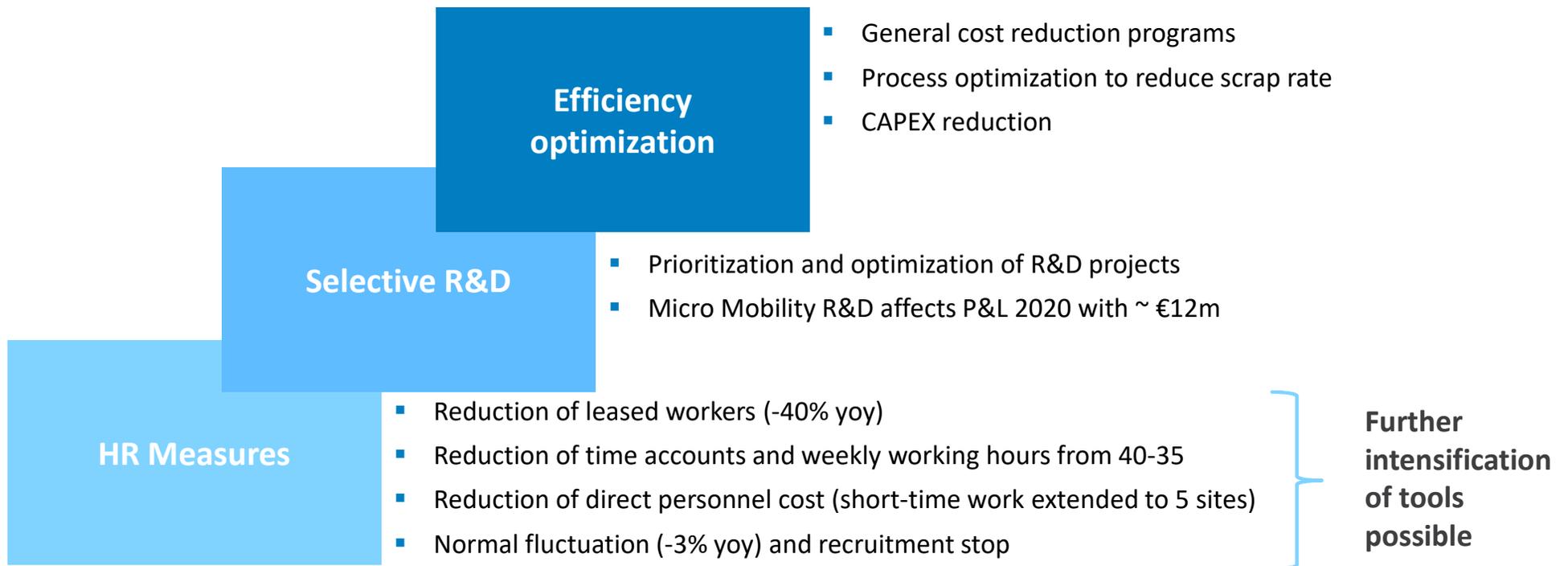
Automotive mid-term

2019 reports biggest market decline post the financial crisis



Automotive: Margin protection

Self help measures to be continued throughout 2020





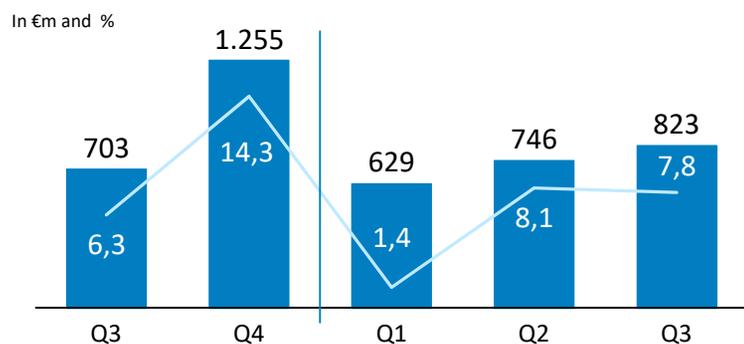
Defence



Q3 2019 Highlights: Defence

Defence delivered as promised

Quarterly sales and margin development



Comments on quarterly performance

- Order intake of € 1.136m solid, including new VJTF orders
- Sales growth of 17.1% (FX adjusted 13.4%) driven by ES and VS and including €23m M&A effect
- Margin rose by 150 bp to 7.8%
- OFCF basically stable

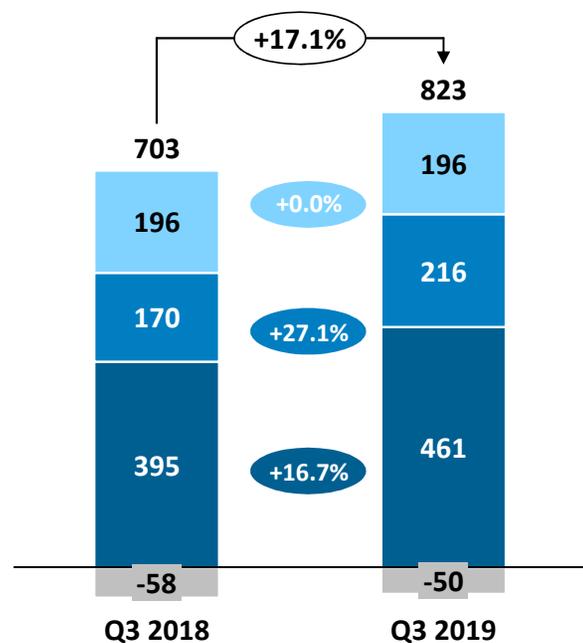
In €m	Q3 2018	Q3 2019	Δ	YTD 2018	YTD 2019	Δ
Order intake	3,044	1,136	-62.7%	4,471	2,201	-50.8%
Sales	703	823	17.1%	1,966	2,198	11.8%
Operating result	44	64	45.5%	75	134	78.7%
Operating margin in %	6.3%	7.8%	150 bp	3.8%	6.1%	220 bp
Operating Free Cash Flow	-98	-104	-6	-508	-328	180
Operating FCF / Sales	-13.9%	-12.6%	130 bp	-25.8%	-14.9%	1,090 bp

Q3 2019 Highlights: Defence

Double digit growth of operating result

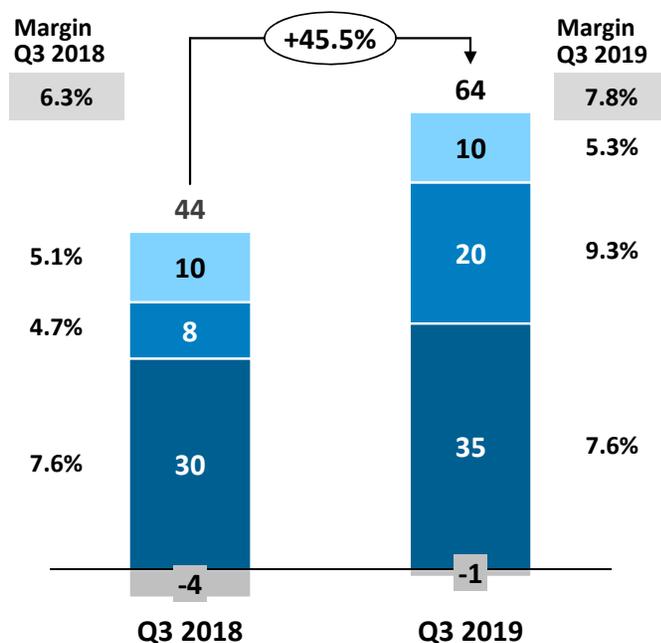
Sales Defence

in €m



Operating result Defence

in €m



■ Weapon & Ammunition
 ■ Electronic Solutions
 ■ Vehicle Systems
 ■ Consolidation

Weapon and Ammunition

- Sales held back by missing export approvals

Electronic Solutions

- Solid execution in all BU
- Restructuring supportive

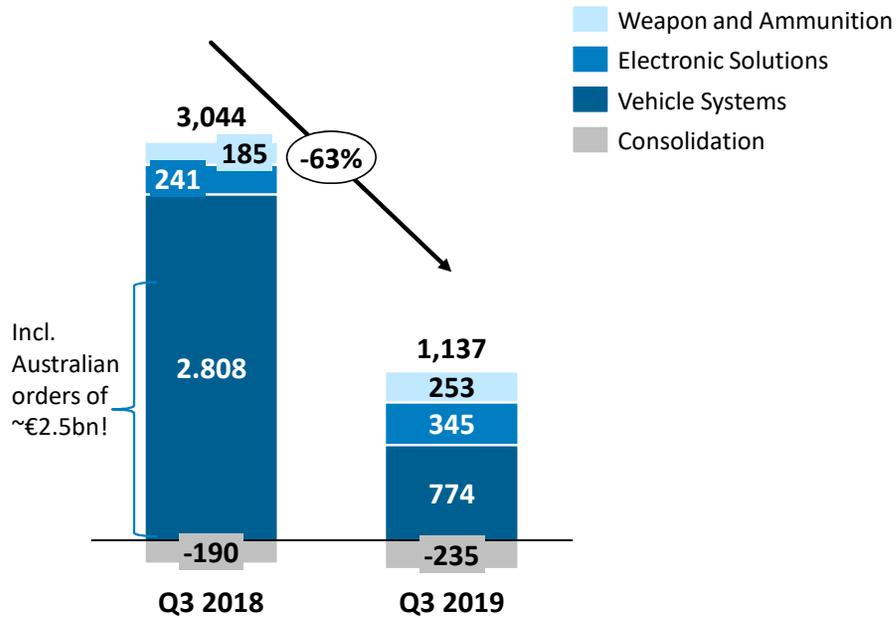
Vehicle Systems

- High order execution
- Stable margin

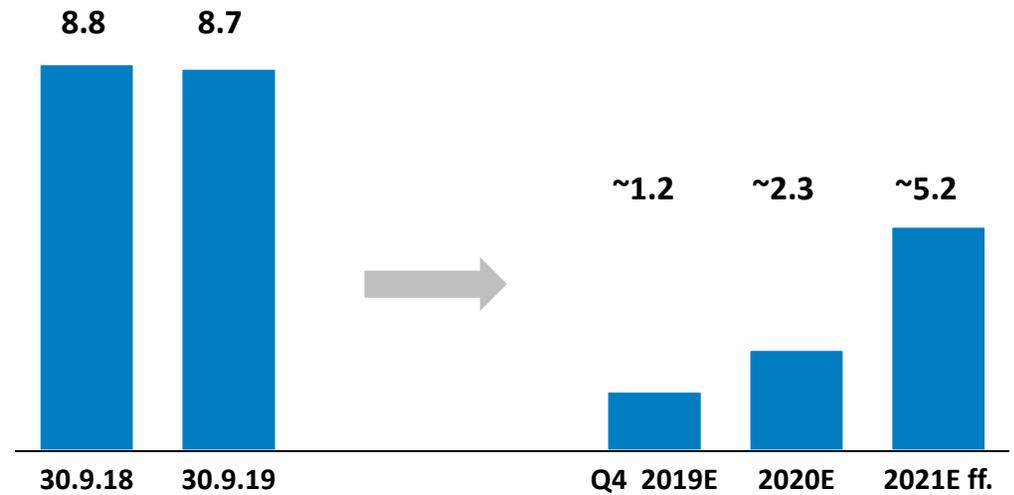
Q3 2019 Highlights: Defence

Robust order intake comparing to extraordinary PY quarter

Order intake by division
in €m



Order backlog profile
in €bn
change in %

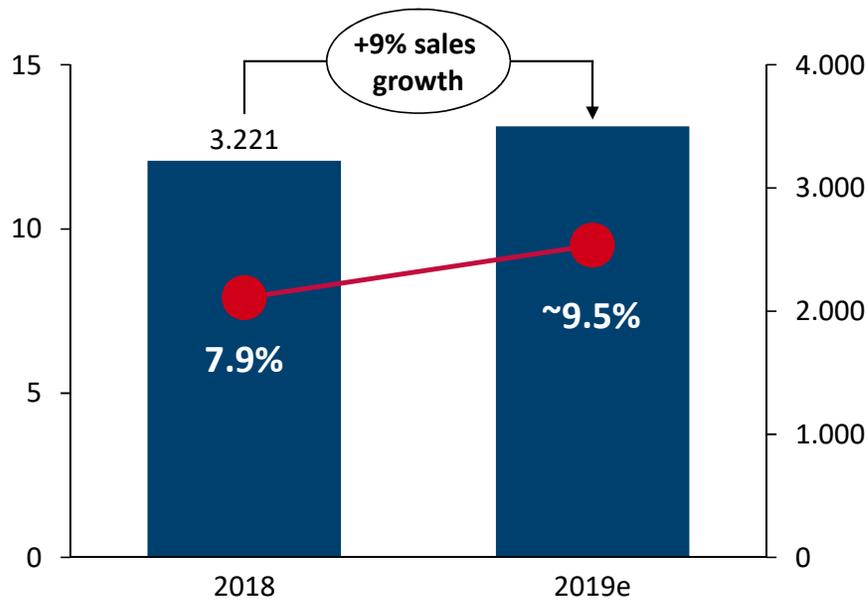


Defence FY 2019

New record year ahead for Defence

■ Defence sales and operating margin
in €m and %

■ Sales
● Margin



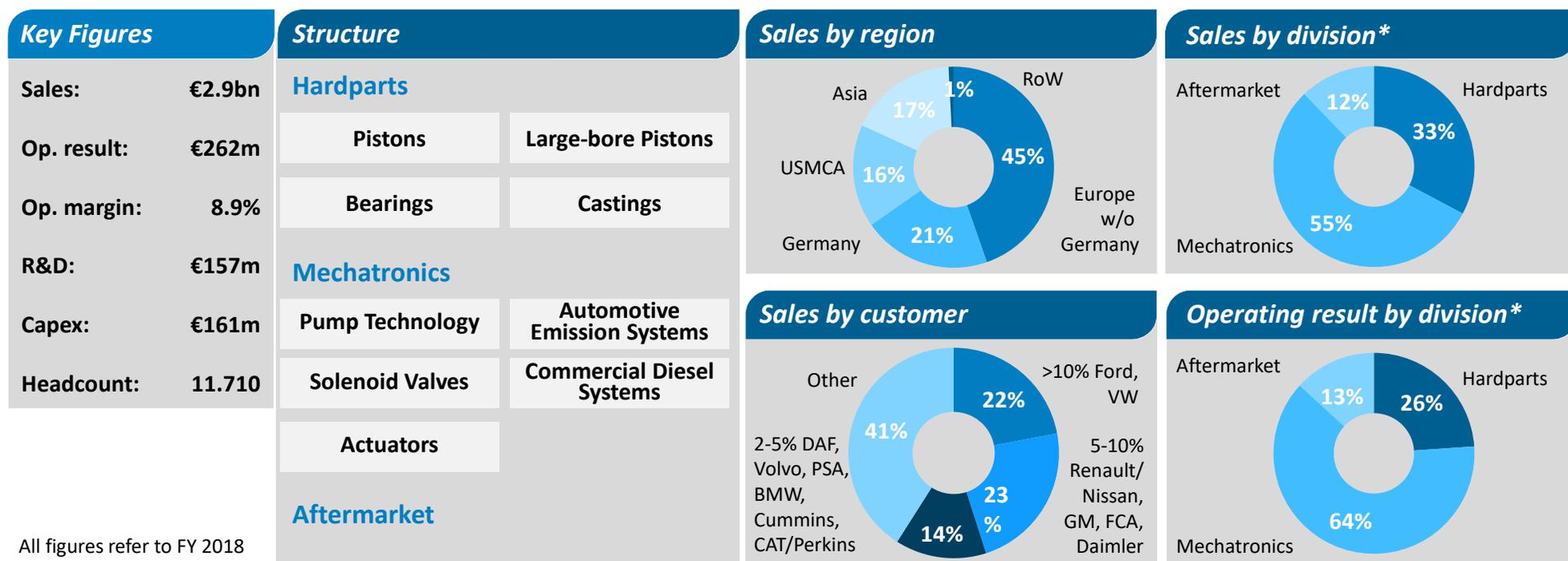
- Growth across all three divisions
- Margin improvement continues
- Project pipeline is filled and diversified

Prepare for solid program execution



Automotive – Focus on innovation

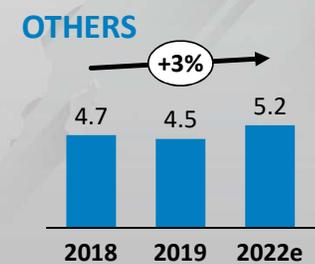
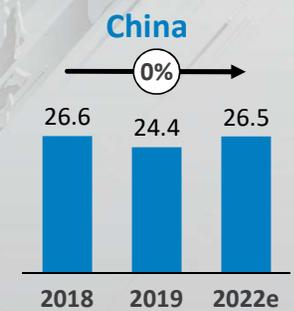
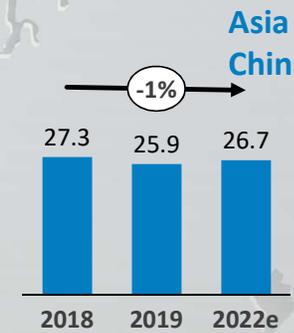
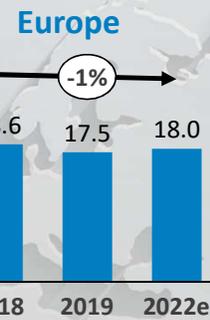
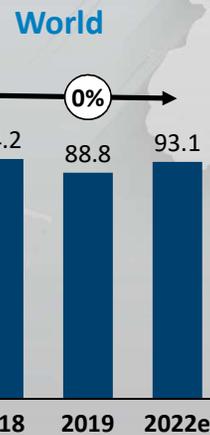
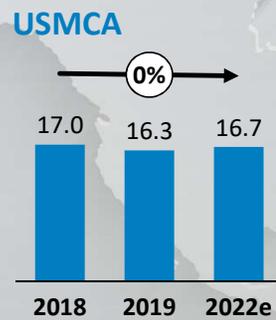
AUTOMOTIVE WITH LEADING TECHNOLOGY AND MARKET POSITIONS.



All figures refer to FY 2018

*unconsolidated

Global sales Flattish market expected until 2022



Source: IHS December 2019

Market trends

The growth drivers remain strong

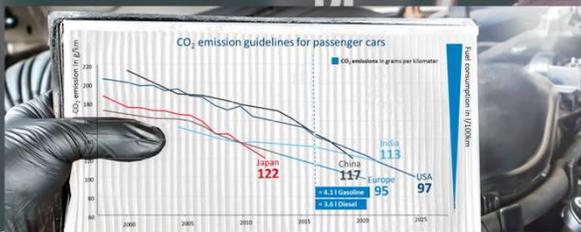


Efficiency
(CO₂ Reduction)

Emission
(Reduction)

Electrification

NT
Outside powertrain



The innovation pipeline is packed!

MECHATRONICS

- VACUUM PUMPS
- EXHAUST CONTROL VALVE GEN. 3
- FUEL TANK ISOLATION VALVE
- THERMAL MANAGEMENT
- HRB
- eCATHODE VALVE
- EGR MODULE
- SC AIR SYSTEM
- eWastegate Actuator
- ELECTRICAL COOLANT PUMP
- GASOLINE EGR
- HIGH-VOLTAGE COOLANT PUMP
- eCC
- E-MOTOR COOLING
- TURBO ACTUATOR VTG
- EVAP
- ELEC. BYPASS VALVE
- MULTI PURPOSE VALVE
- ELECTRICAL OIL PUMPS
- CONTACTORS
- THERMO MODULE
- FUEL CELL CONTROL VALVE

HARDPARTS

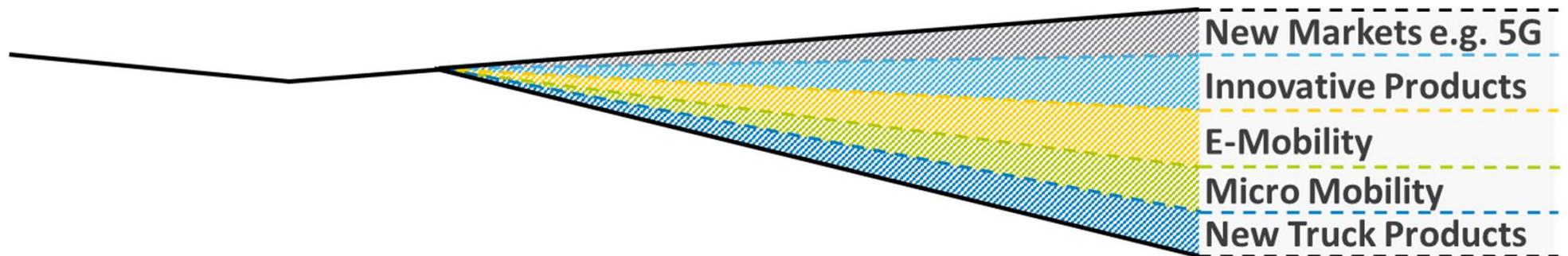
- STEEL PISTONS
- ALU PISTONS
- ENGINE BEARINGS
- NON-ENGINE POLYMER BEARINGS
- STRUCTURAL PARTS
- E-Motor HOUSING
- CarbonTT
25% Share Carbon TT
- ENGINE BLOCKS
- BATTERY BOXES

ICE

EV / FUEL CELL

AUTOMOTIVE

HOW TO FILL THE GAP POST ICE OUTPHASING

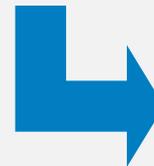


New Markets Telecommunication Diversification into new growth areas



5G-Data safety: Major production contract for manufacturing aluminum housings for 5G network

- Rheinmetall JV with HASCO in China is the leading supplier of die-casting capacities in China
- High technological competence
- Great opportunity to diversify in growth markets



Contract value of €150m for six-digit number of boxes in 2020

Additional demand for 10.000.000 boxes until 2030 creates further potential

E-Mobility Rheinmetall products for NEV

BOOKED BUSINESS		ADDITIONAL POTENTIAL
 <p>E-Tron</p>	 <p>E-Golf</p>	 <p>German premium OEMs</p>
 <p>BATTERY BOXES</p>	 <p>E-ENGINE HOUSING</p>	<p>Recent market contact suggest potential of around 1.000.000 e-engine housings p.a. starting 2020</p>

ELECTRIFICATION

at Rheinmetall Automotive

Life time order value of €1bn booked*



ELECTRIFICATION

Peripheral system and components



CAR

(HV) 400V^{PLUS}
50-125KW



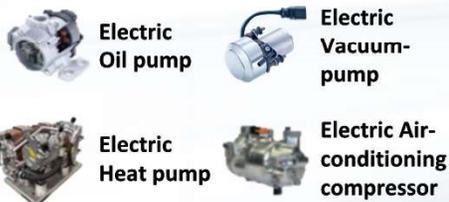
FIRST-/LAST-MILE

48V
15-20KW



MICRO E-DRIVE SYSTEM

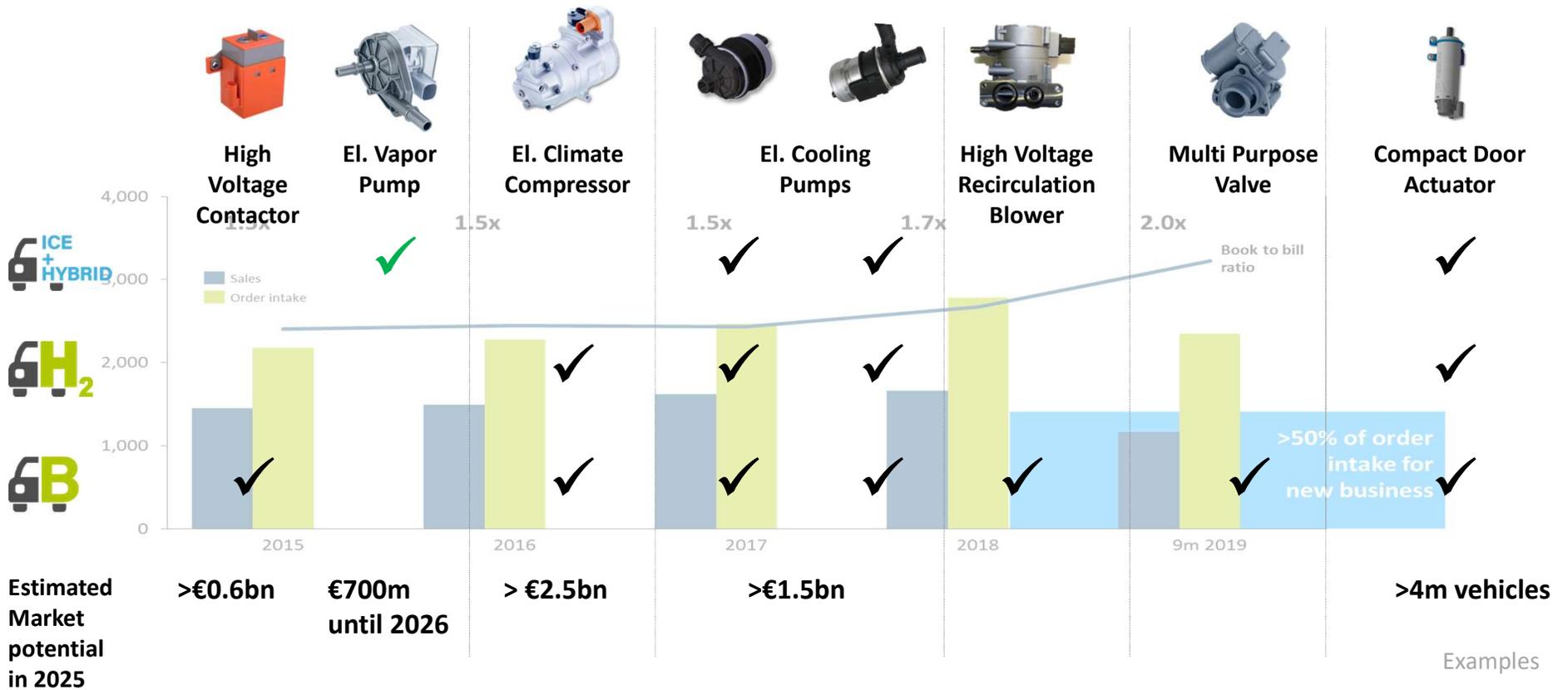
48V
0,25-0,7KW



* Rheinmetall Automotive and Joint Ventures, incl. BEV and Hybrid

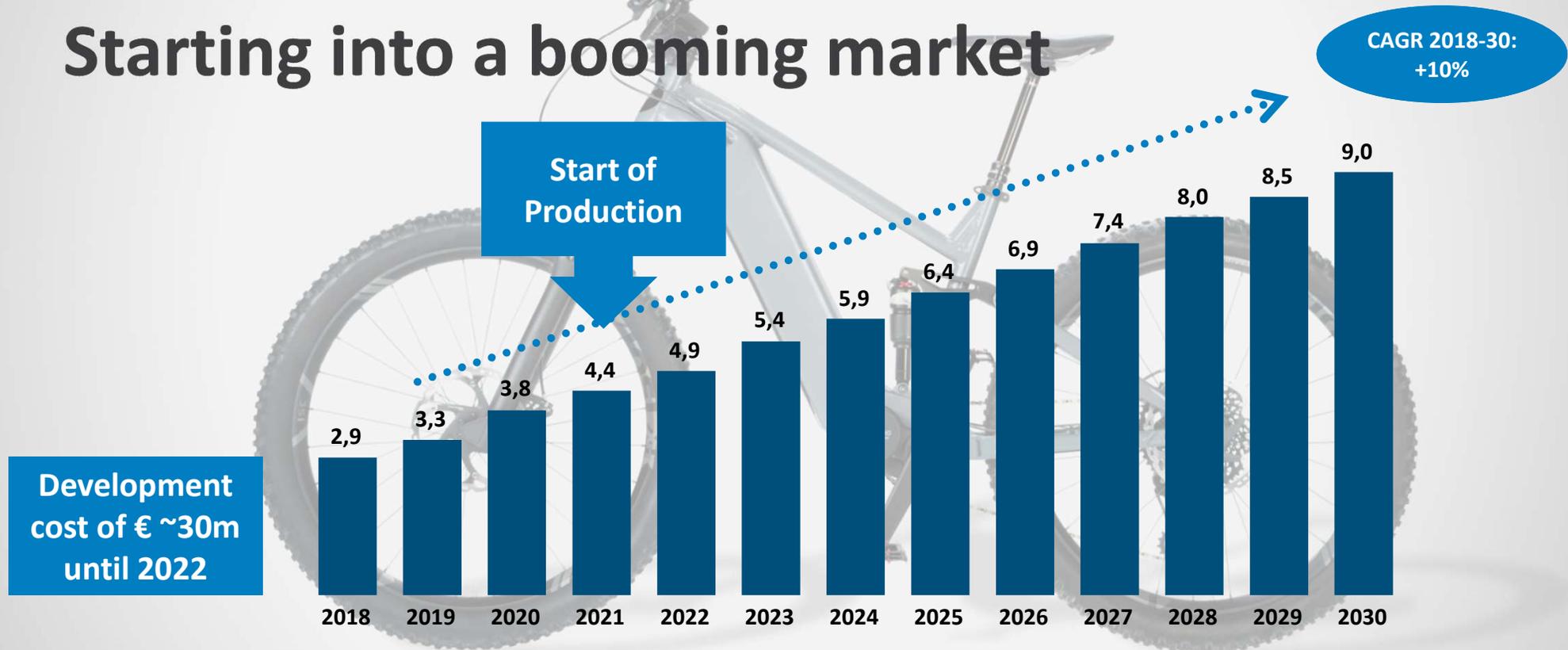
Mechatronic Innovation pipeline

Innovative products for a variety of applications



Micro E-Drive System

Starting into a booming market



Micro Mobility From internal innovations project to market entry

High growth market

- European market with **10% CAGR** between 2018 and 2030
- **High market concentration** with Bosch representing almost 50% of market share
- **E-bike market price averaged at €3.000** last 3 years



USP Rheinmetall

- Smooth phasing of engine support
- Excellent freewheeling
- Low weight and compact build
- Low noise emission
- High thermic stability
- Interesting connectivity features
- Speedy service concept

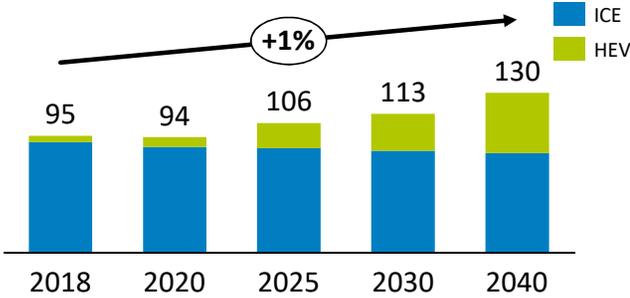
Start of production scheduled for 2021 with competitive product

Drivers for growth

Rising global fleet and regulatory restrictions are supporting our growth

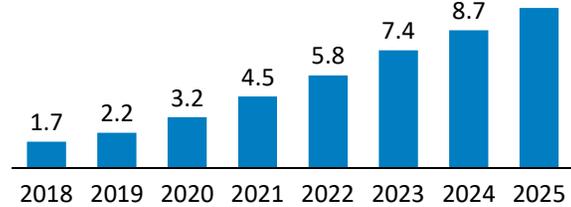
Light vehicle production grows

million vehicles per year



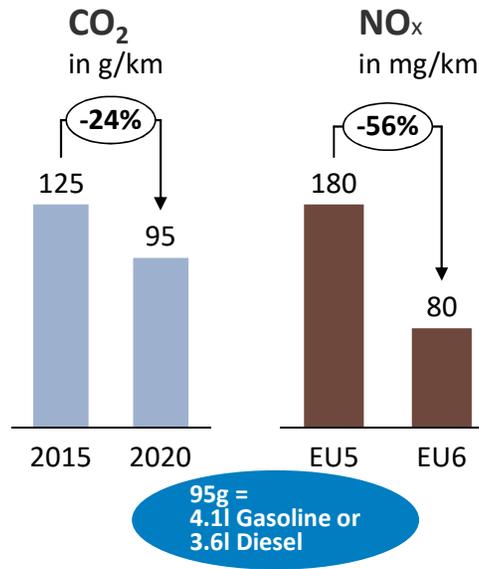
BEV 2018-2025

million vehicles per year



IHS 07/2019 and company estimates

Emission thresholds decrease



Stricter emission testing



Mainly EU!



Stricter testing sets the benchmark even higher!

Efficiency

CO₂ - reduction with Automotive products – gasoline engine vehicle

130 g CO₂/km
2015

95 g CO₂/km
2020



Reference model

1.4L 4-cylinder
TC DI gasoline engine (115kW)
Approx. 138 g CO₂/km in NEDC

Rheinmetall Automotive products

-1 g CO₂/km



-3 g CO₂/km

Tribology system



-3 g CO₂/km

Electr. control valve and variable coolant pump



-7 g CO₂/km

Variable valve train



-2 g CO₂/km

Electr. EGR system

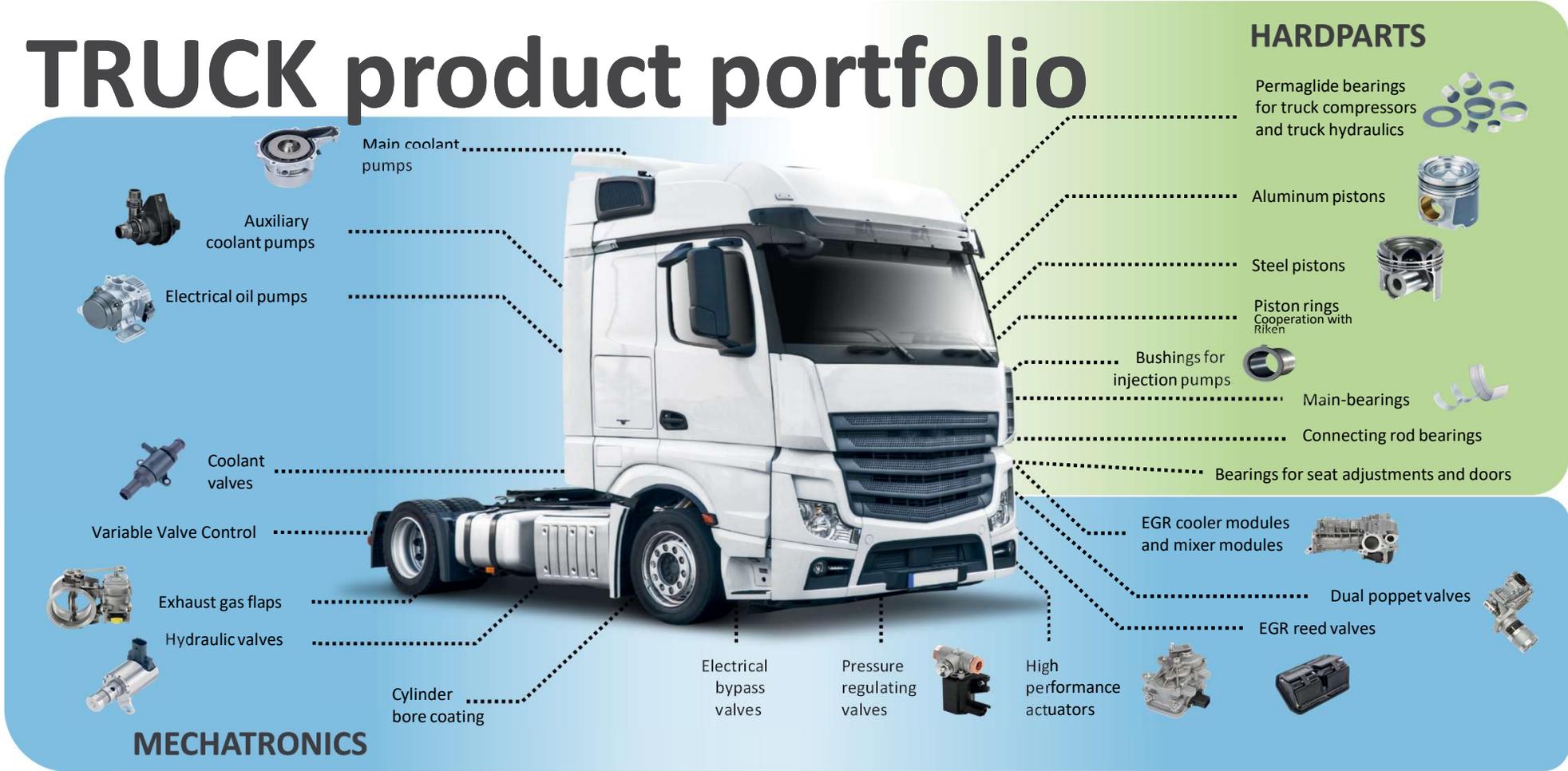


-2g CO₂/km

Lightweight design parts



TRUCK product portfolio



Diversification

Increasing portfolio for non-LV applications

Trucks



Diverse portfolio for truck applications

Large bore pistons



E.g. ship and locomotive pistons

Bearings & continuous casting



Sanitary application

Aftermarket

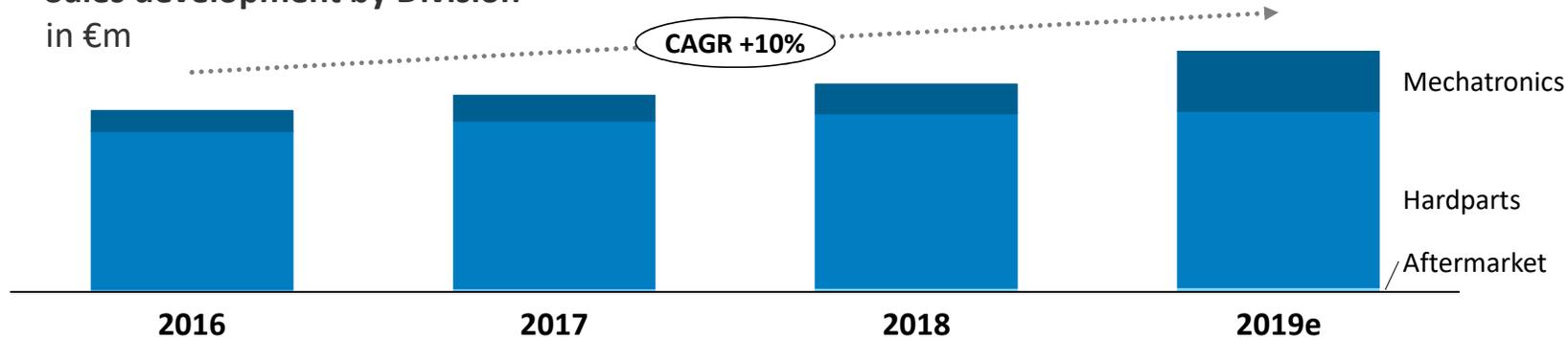


Global supply of spare parts

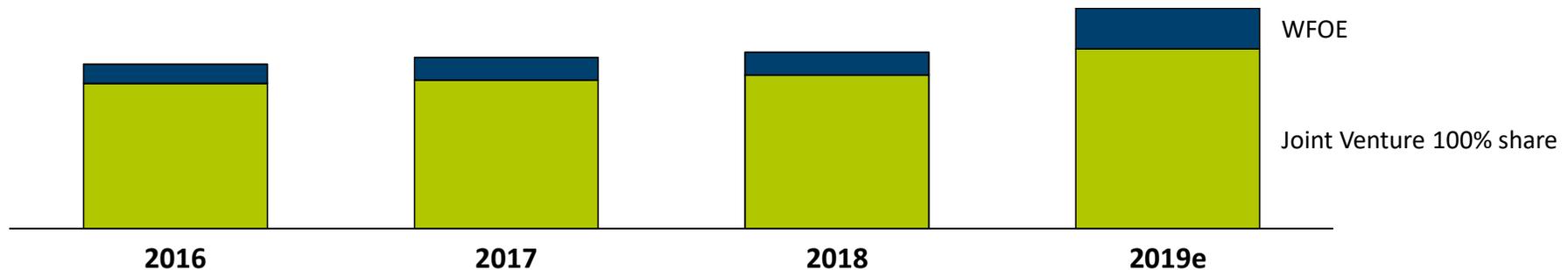
China

Demand for Mechatronics products key driver

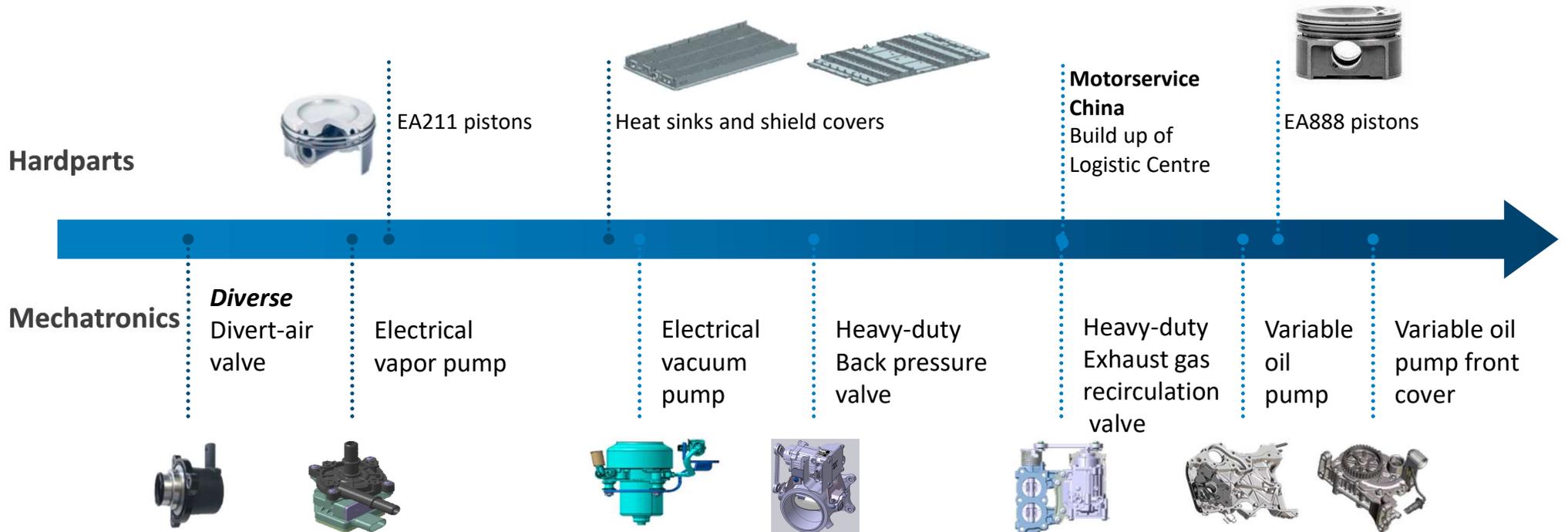
■ Sales development by Division
in €m



■ Sales development by legal structure
in €m

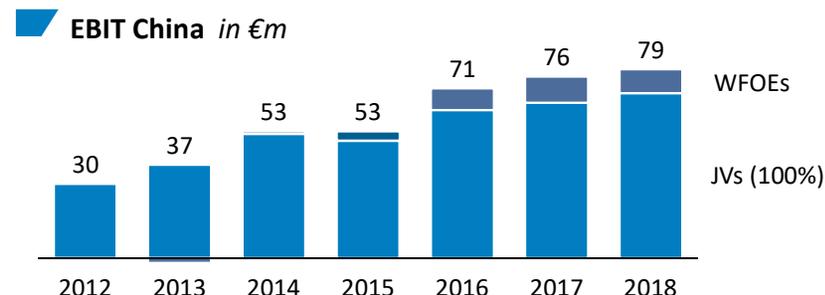
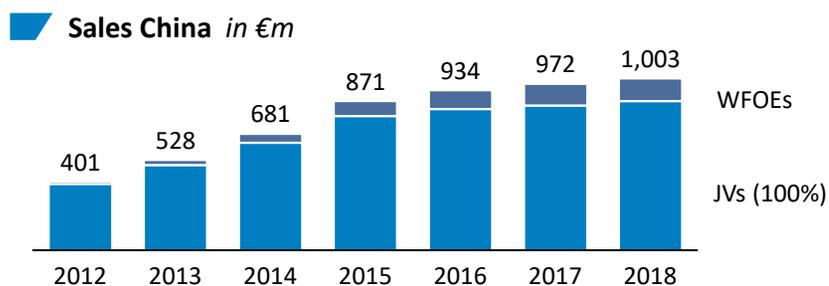


CHINA CORE PROJECTS



Automotive in China

50/50 joint ventures with HASCO (SAIC group)				Wholly Foreign-Owned Enterprises (100% Rheinmetall Automotive)			JV subsidiary
Castings (KSHA)	Pistons (KSSP)	Castings (KPSNC)	Pumps (PHP)	Aftermarket	Pierburg	Large-bore pistons	Pumps (PMP Ch.)
2014	1997	2001	2012	2008	2009	2013	2012
Engine blocks and structural body parts	Pistons	Engine blocks, cylinder heads and structural body parts	Electrical and mechanical pumps	Spare parts	EGR modules and electric throttle bodies	Large-bore pistons	Electrical and mechanical pumps
Germany/ Europe	China			China			China



KSHA: KS Huayu Alutech GmbH, Neckarsulm | KPSNC: Kolbenschmidt Pierburg Shanghai Nonferrous Components Co., Ltd., Shanghai | PMP: Pierburg Mikuni Pump Technology (Shanghai) Corp., Shanghai
 KSSP: Kolbenschmidt Shanghai Piston Co., Ltd., Shanghai | PHP: Pierburg Huayu Pump Technology Co., Ltd., Shanghai

HIGHLIGHTS

CHINA

Partner of local big players SAIC and HASCO

Biggest casting capacities in China – technology leader

Regulation (China 6) – provides substantial growth potential for mechatronics division

Strong demand for NEV products

China Story on track: product pipeline supports growth ambitions



Defence – at the beginning of a “super cycle”

TOP PRODUCTS PER DIVISION.

WEAPON AND AMMUNITION



MID & LARGE CALIBER AMMO



MID & LARGE CALIBER WEAPONS



PROTECTION SYSTEMS

- ACTIVE
- PASSIVE
- SOFTKILL

ELECTRONIC SOLUTIONS



MISSION EQUIPMENT



AIR DEFENCE & RADAR SYSTEMS

Simulation & Training

VEHICLE SYSTEMS



LOGISTIC VEHICLES

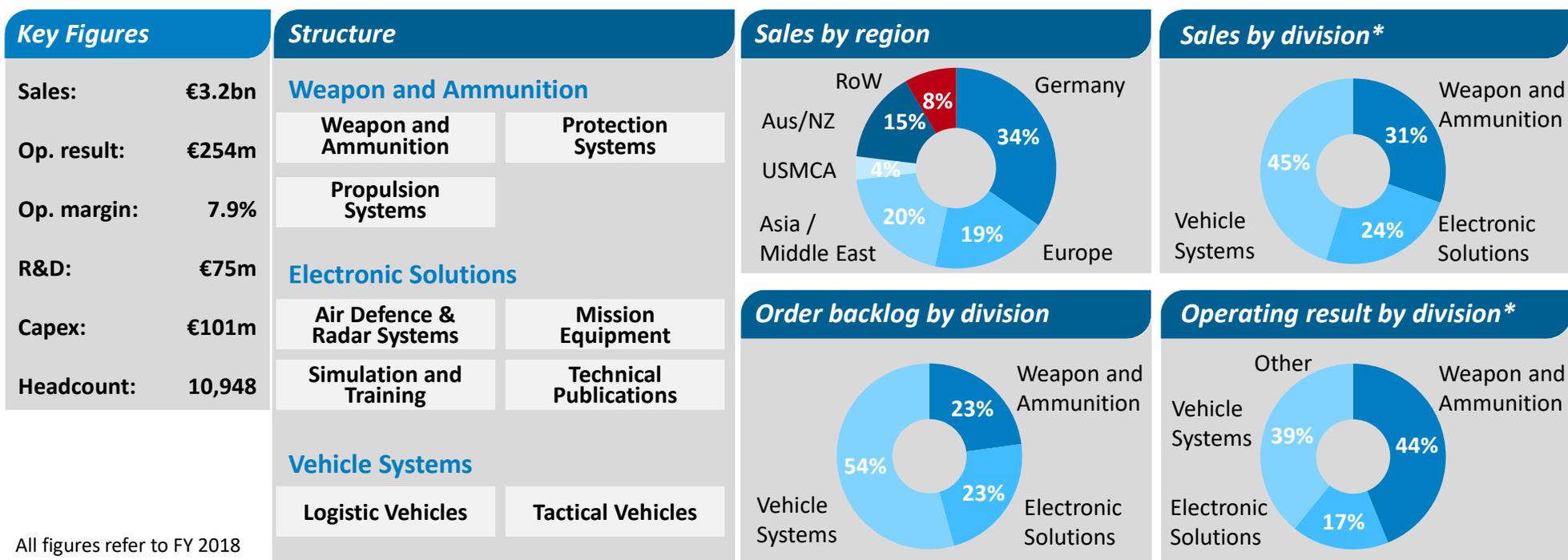


TACTICAL VEHICLES

HX-FAMILY

- Medium wheeled
- Medium tracked
- Heavy tracked

DEFENCE IS A LEADING SUPPLIER WITH AN INCREASING INTERNATIONAL PRESENCE.

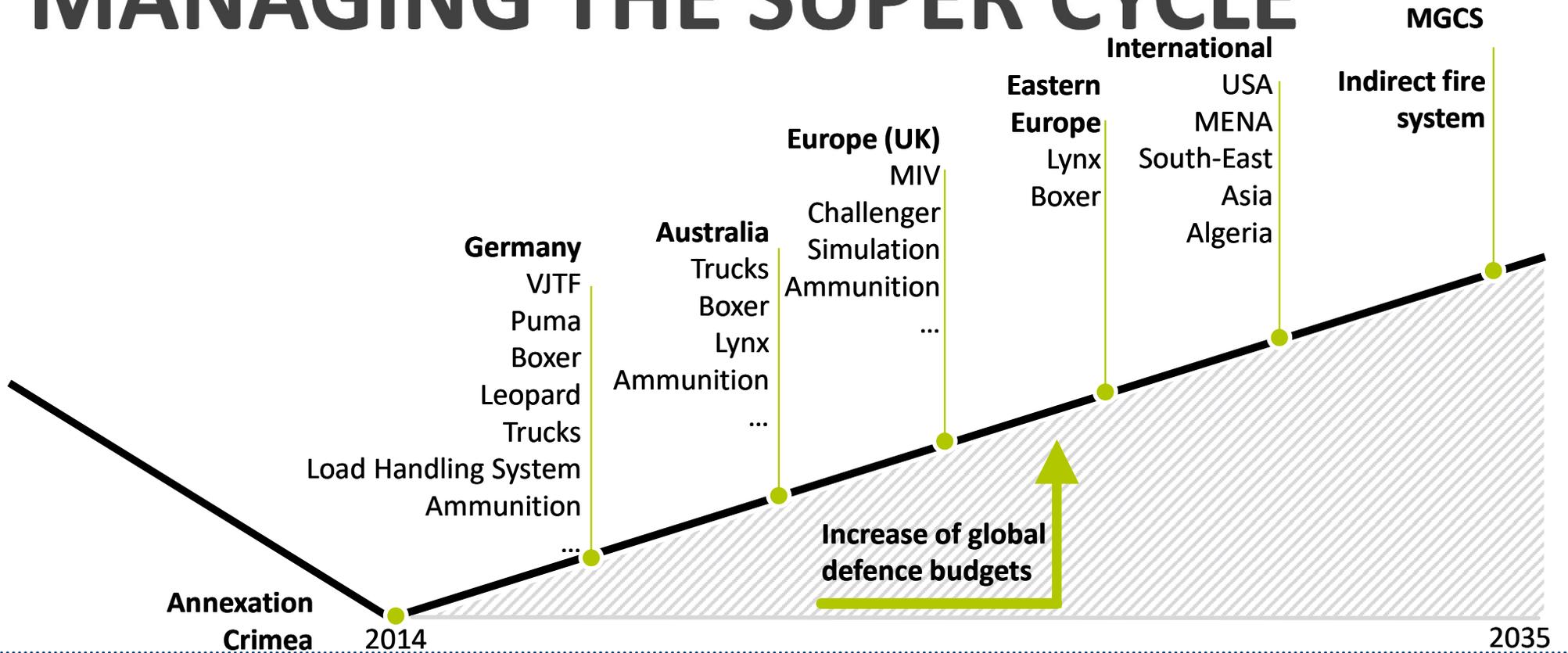


All figures refer to FY 2018

*unconsolidated

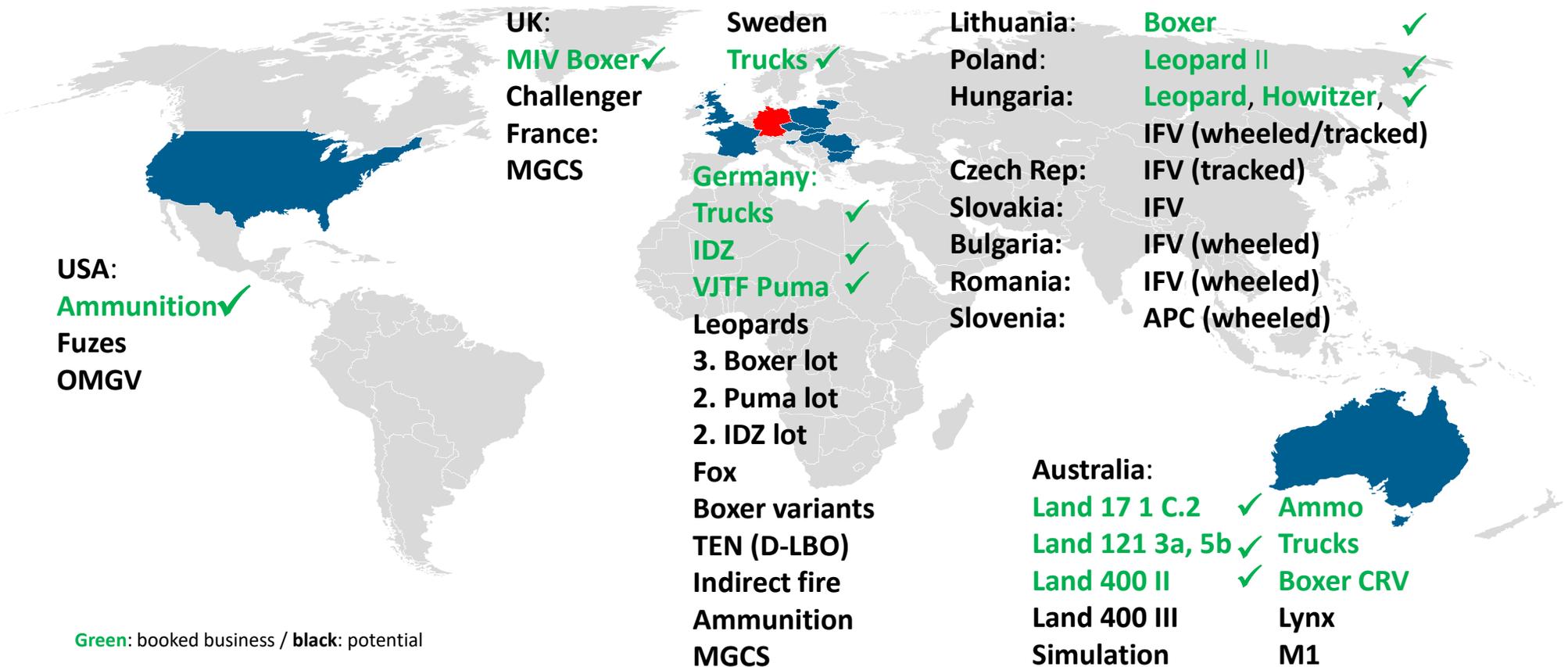
DEFENCE

MANAGING THE SUPER CYCLE



Defence tender overview

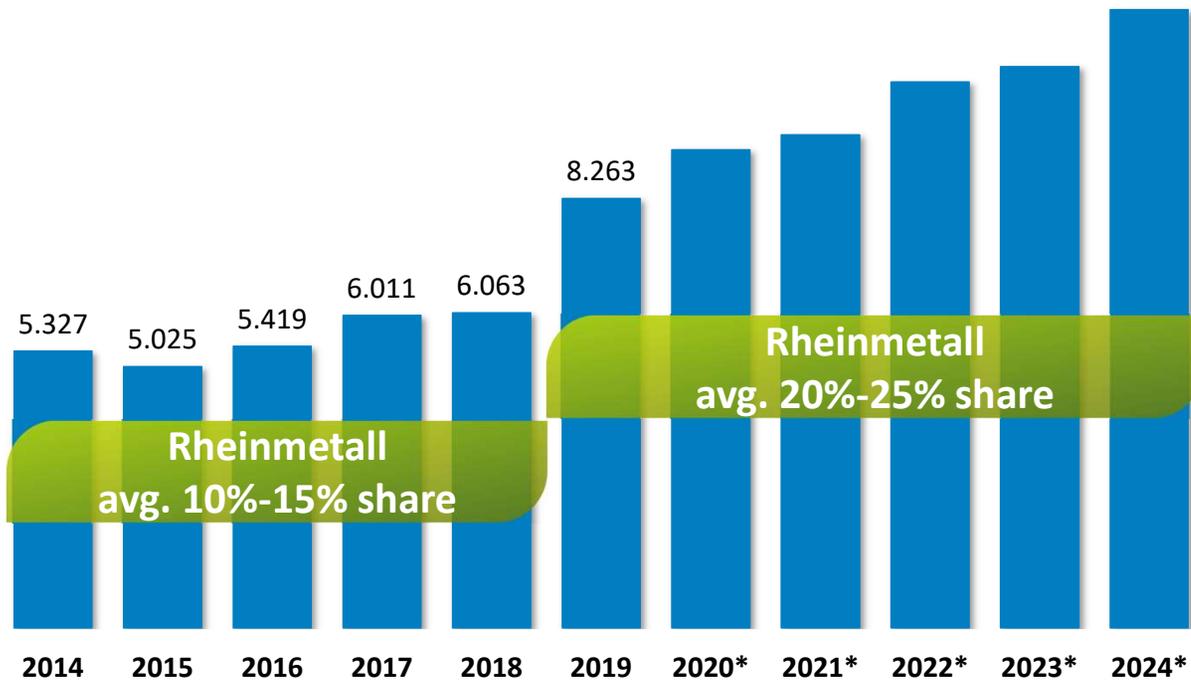
Promising super cycle pipeline



Green: booked business / black: potential

German defence budget Investive expenses and Rheinmetall-share - budgets become sizeable

in €m



Drivers for budget increase:

- More personnel, return to ~200.000 soldiers
- More equipment (100% equipment level)
- More finance, investive share increased by 36% from 2018 to 2019
- If political 1.5% commitment is to be achieved in 2024 this could lead to € ~12 bn investive spend

NATO and VJTF commitment as strong drivers!

*based on BMWi GDP forecast Oct. 19; assumption 20% of German defence budget investive

German mid-term potential

Be the key land systems provider in our home market

TRUCKS



- Three Major Truck Programs (unprotected and protected trucks, load handling system)
- Framework contracts 2018 - 2027
- New logistic fleet 10,000 to 20,000 trucks
- unprotected: 2,271 units, protected: 1,000 units, load handling system: 4,000 units
- **Potential € 3 – 6bn**

LEOPARD UPGRADES



- Development and production of a digitized turret with ~130mm gun for Leopard user nations
- Delivery > 2025
- > 300 systems
- **Potential € > 1.7bn Germany and Netherlands**

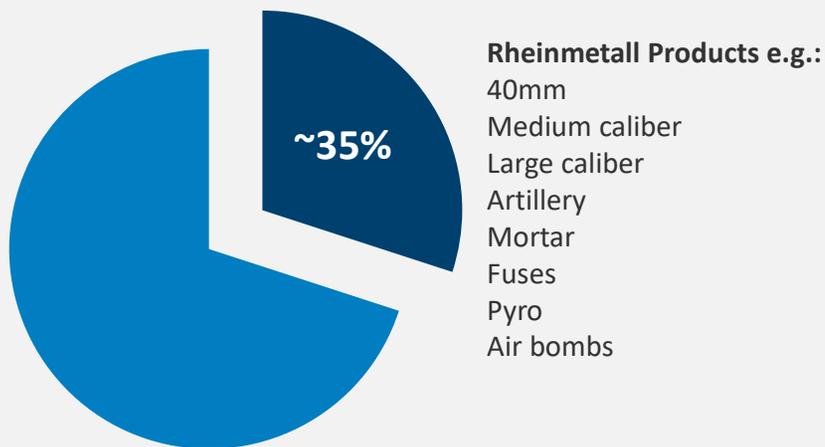
PUMA/BOXER/FUCHS



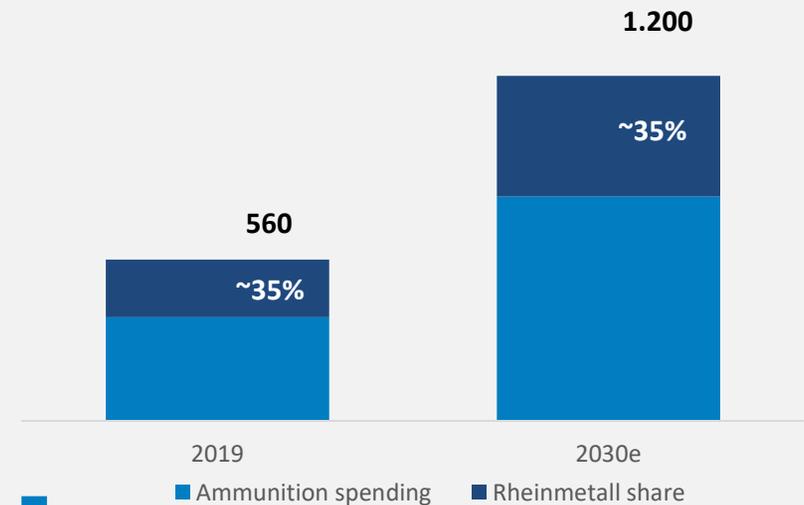
- Additional batches
- development and production of new variants and increase of the number of current variants
- Order intake expected in 2021
- > 1000 systems
- **Potential: € > 3bn**

German mid-term potential Large ammunition sales potential from expected restocking

Rheinmetall share on German ammunition purchases*



Development of ammunition spending in €m*



Estimated € 12bn spending up to 2030,
 € 1.2bn pa purchase value

*based on company estimates and current BMVG EPL 14 data

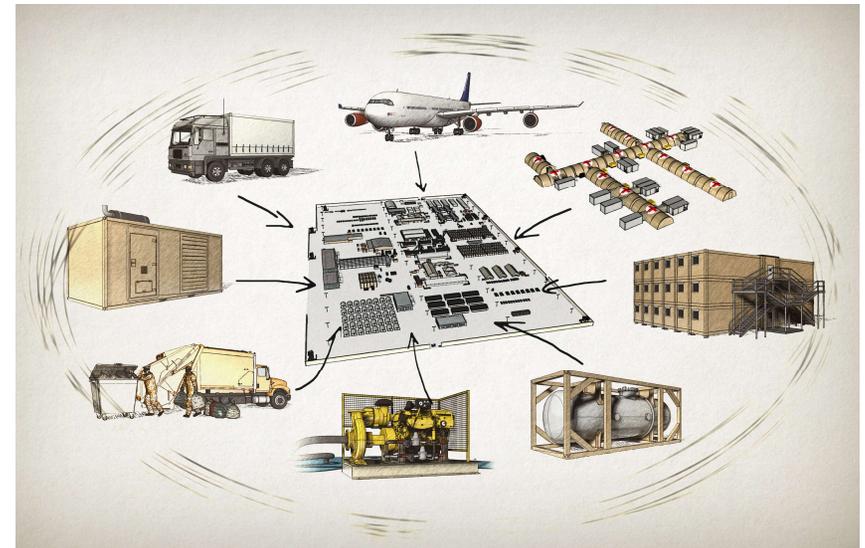
German portfolio enhancement Rheinmetall enters Bundeswehr contractor based operations services (G-CAP*)

Military in theatre camps

- Build, operate and rebuild camps for in-theatre operations
- Tender start in Q2 2020, award expected in Q1 2021
- Long term contracts >10 years
- Potential contract volume ~€100m per camp, per annum

Persistent Surveillance System

- Contractor run surveillance operations
- Long term contracts >10 years
- Contract volume >€20m per camp, per annum



*Contractor Augmentation Programs are framework contracts, outsourcing specific task to third party providers

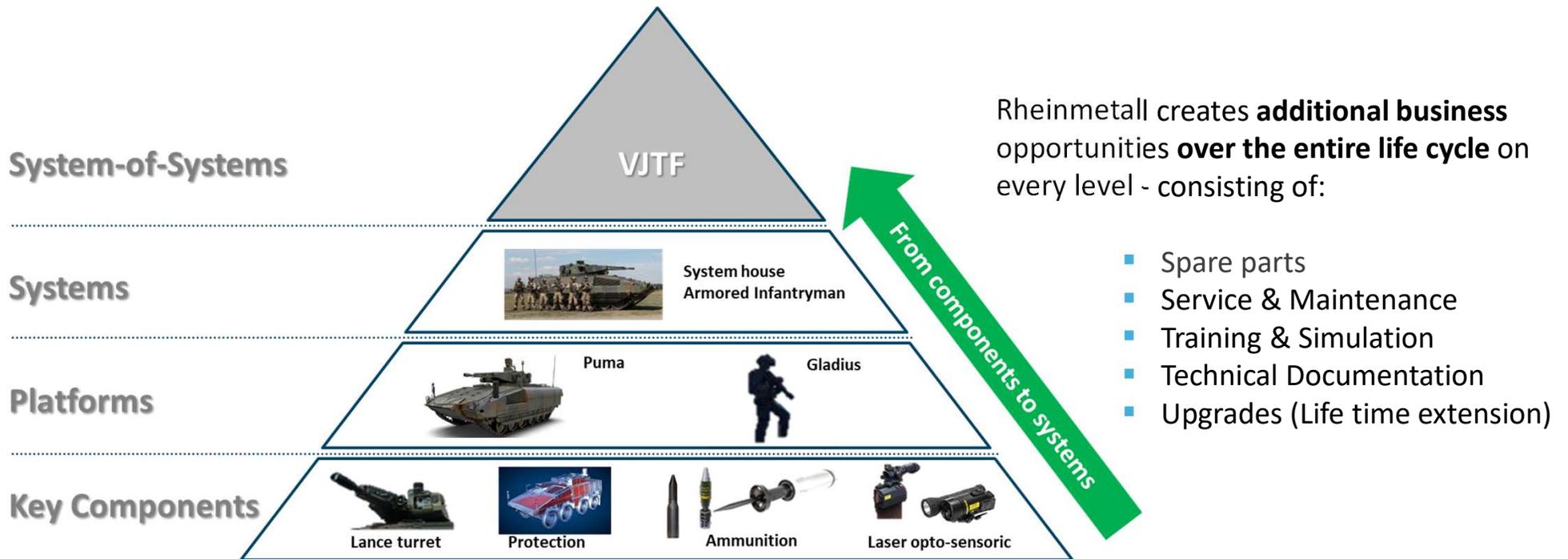
German defence

NATO commitment key driver for German demand

Lead role in Very High Readiness Joint Task Force (VJTF)



Additional business opportunities on the base of current success in vehicle and soldier system sales



Illustrative

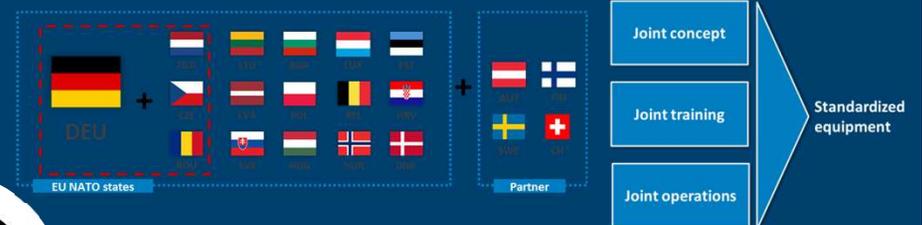
German Defence

Drivers behind budget increase

“Turnarounds” in Germany

- Personnel:
Mid-term return to 200,000 soldiers
- Material:
100% equipment level and additional division
- Finance:
Increase of defence budget 54% from 2018 to 2024

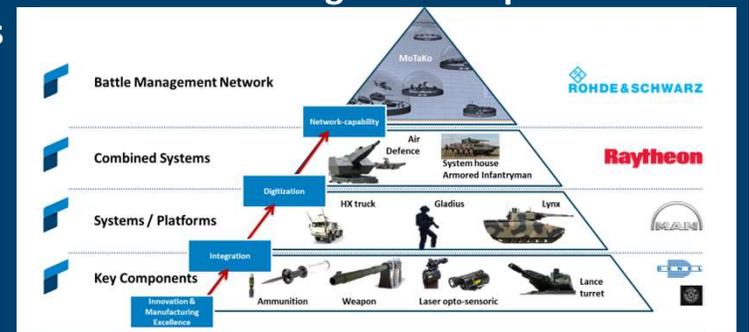
Framework nation concept triggers standardization of equipment



Enhanced future profile

- Anchor army for smaller neighbor armies
- Leading role in „enhanced Forward Presence“ in Lithuania
- Framework nation in „Very High Readiness Joint Task Force as of 2019
- Currently 14 international mandates

Army 4.0: Rheinmetall integrates components to systems



Home market Australia

Successful establishment of a new home market

Military Trucks

- Land 121 35 / 5B (2013/2018)
- EUR 2bn

JV Rheinmetall NIOA Munition

- 51% Rheinmetall (2017)
- Land 17: 155mm Munition: EUR 350m
- Major Munition Framework Contract: EUR 60m
- NEW Facility in Queensland

Simulation

- Simulation / Training for M1A1 Fighting Vehicles Technology

Boxer / Lance

- Land 400 Phase 2 (2019)
- EUR 2.1bn

Lynx

- Land 400 Phase 3 (2022/2023)
- EUR 5.6bn
- Down selected

MilVehCoE

Military Vehicle Center of Excellence

- Military Trucks
- Combat Vehicles
- Fleet-Service

JV Supashock

- 49% Rheinmetall (2017)
- „Brain-Trust“

SALES 2020e: € ~330m

International order potential UK home market: Current and future orders



Mechanized Infantry Vehicle (Boxer)

- **Background**
Mechanized Infantry Vehicle (MIV), several different configurations, including armored personnel carrier, command vehicle, specialist carrier and field ambulance.
- **Order size**
500 vehicles
volume of € 1.4bn
- **Timeline**
Delivery is expected to start from 2023

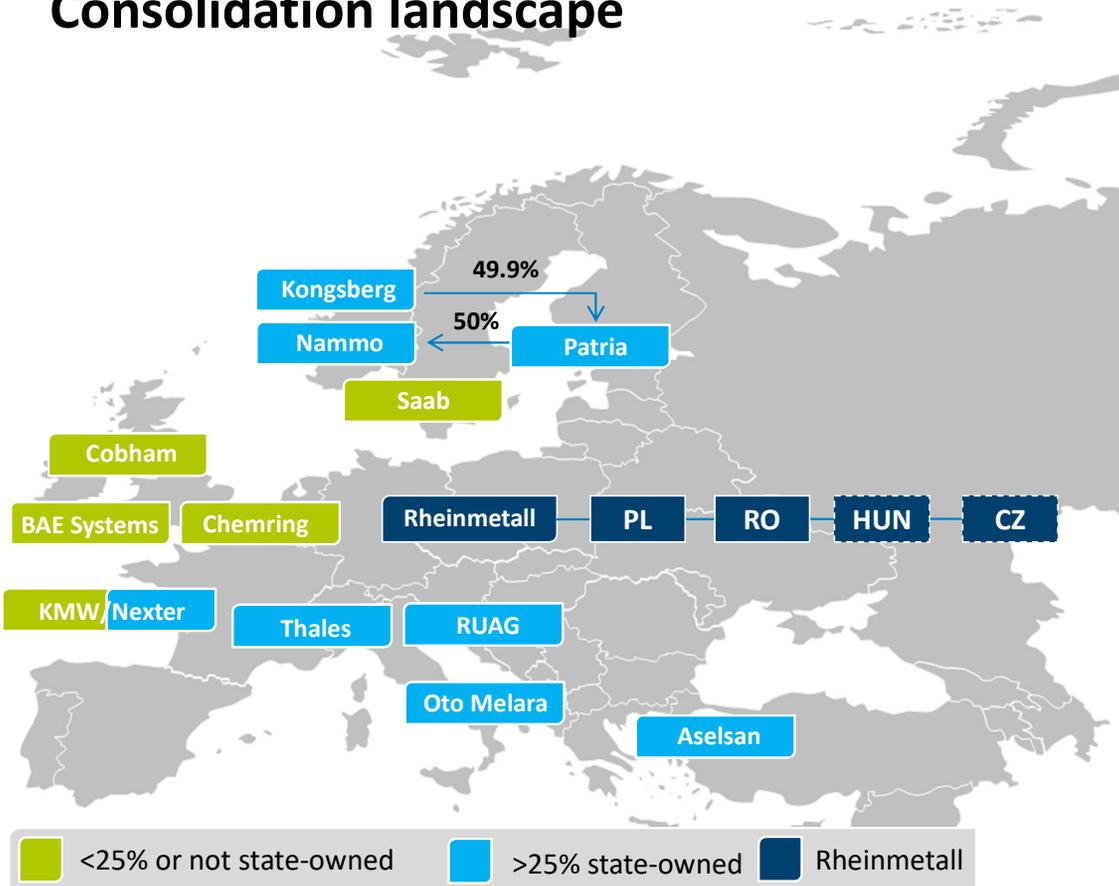


Challenger Life Extension Program

- **Background**
Challenger life extension program with focus on switch from rifled to smoothbore gun (NATO)
- **Order size**
148 MBT
volume of approx. € 0.8 – 1.2bn
- **Timeline**
 - Decision expected for Q4 2020
 - Start of production in 2023

Shift from rifled to smoothbore gun offers potential for additional ammunition sales!

European Defence Consolidation landscape



- **Governmental shareholding** restricts room for cross-border consolidation
- **Big common armament programs** could be catalysts for further consolidation

Rheinmetall's approach:

- **JV partnerships with companies in different nations** instead of "putting all eggs in one basket"
- **Sufficient organic growth potential**, but suitable M&A transactions are possible

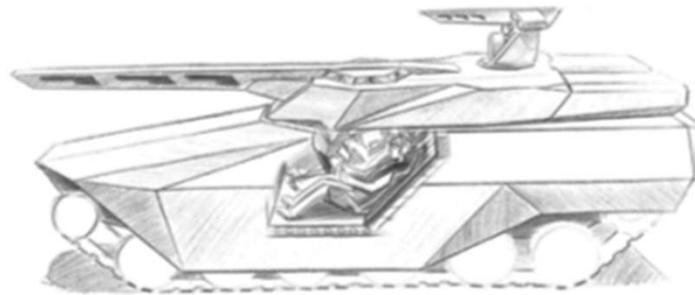
Innovations

Demand-driven product development and targeted cooperations



New logistical platforms

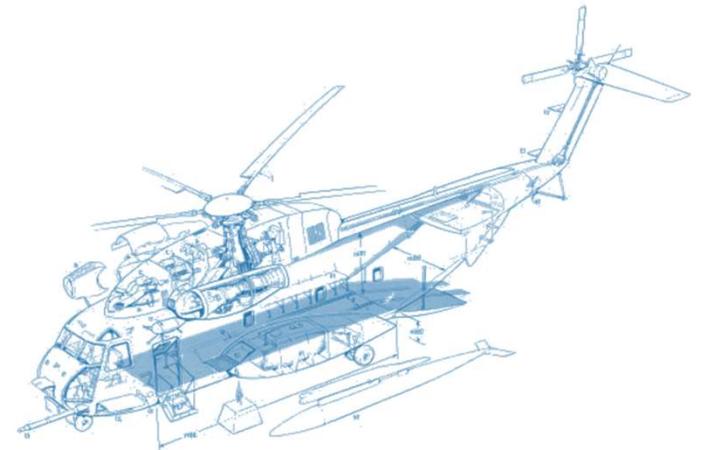
Groundbreaking sub-systems



New tactical platforms

Innovative weapon and ammunition

Digitized command and reconnaissance



New business models

New cooperations with Sikorsky, Raytheon



GROUP APPENDIX

Group 2014 – 2018: Key figures (as reported)

in €m		2014	2015	2016	2017	2018
Balance sheet	Total assets	5,271	5,730	6,150	6,101	6,759
	Shareholder's equity	1,197	1,562	1,781	1,870	2,172
	Equity ratio (in %)	22.7	27.3	29.0	30.7	32.1
	Pension liabilities	1121	1,128	1,186	1,080	972
	Net financial debt	-330	-81	19	230	-31
	Net gearing (in %)	27.6	5.2	-1.1	-12.3	1.4
Income statement	Sales	4,688	5,183	5,602	5,896	6,148
	Operating result	160	287	353	400	492
	Operating margin (in %)	3.4	5.5	6.3	6.8	8.0
	EBITDA	299	490	581	626	836
	EBIT	102	287	353	385	518
	EBIT margin (in %)	2.2	5.5	6.3	6.5	8.4
	EBT	22	221	299	346	485
	Net income	21	160	215	252	354
	Earnings per share (in EUR)	0.47	3.88	4.69	5.24	7.10
	Dividend per share (in EUR)	0.3	1.1	1.45	1.70	2.10
	ROCE (in %)	3.9	10.1	12.3	13.8	17.1
Cash flow statement	Free cash flow from operations	-182	29	161	276	-35
Headcount	Employees (Dec 31) according to capacity	20,166	20,676	20,993	21,610	22,899

Segments 2014 – 2018 Key figures

AUTOMOTIVE								DEFENCE				
2014	2015	2016	2017	2018	in €m			2014	2015	2016	2017	2018
2,466	2,621	2,670	2,922	2,889	Order intake			2,812	2,693	3,050	2,963	5,565
416	445	459	520	478	Order backlog (Dec. 31)			6,516	6,422	6,656	6,416	8,577
2,448	2,592	2,656	2,861	2,930	Sales			2,240	2,591	2,946	3,036	3,221
184	216	223	248.8	262	Operating result			-9	90	147	174	254
7.5	8.3	8.4	8.7	8.9	Operating margin (in %)			-0.4	3.5	5.0	5.7	7.9
295	332	356	366.8	420	EBITDA			17	175	239	268	403
184	216	223	227	265	EBIT			-67	90	147	172	247
7.5	8.3	8.4	7.9	9.0	EBIT margin (in %)			-3	3.5	5.0	5.7	7.7
158	167	149	154	161	Capex			76	96	95	89	87
34	96	105	106	26	OFCF			-132	-38	103	238	-29
10,830	10,934	10,820	11,166	11,710	Employees (Dec 31) according to capacity			9,184	9,581	10,002	10,251	10,948
1,322	1,450	1,527	1,621	1,664	Mechatronics	Sales	Weapon &	977	881	1,112	1,175	1,056
96	119	142	176	171		EBIT	Ammunition	-4	74	108	117	121
7.3	8.1	9.3	10.9	10.3		EBIT margin		-0.4	8.4	9.7	10.0	11.5
934	952	921	968	989	Hardparts	Sales	Electronic	705	759	745	691	839
72	73	62	60	65		EBIT	Solutions	-53	26	25	20	47
7.7	7.7	6.7	6.2	6.6		EBIT margin		-7.5	3.4	3.4	2.9	5.6
269	285	305	359	367	Aftermarket	Sales	Vehicle	667	1,195	1,392	1,480	1,568
26	27	27	33	36		EBIT	Systems	-9	3	29	53.2	108
9.7	9.5	8.9	9.2	9.8		EBIT margin		-1.4	0.3	2.1	3.6	6.9

Rheinmetall technologies as an answer to current threats and challenges



Capital allocation

Our capital allocation policy is geared towards further growth

Funding of growth (organic and M&A)

Dividend to shareholders (Payout ratio 30-35%)

Improvement of pension funding via CTA (target level 50-60%)

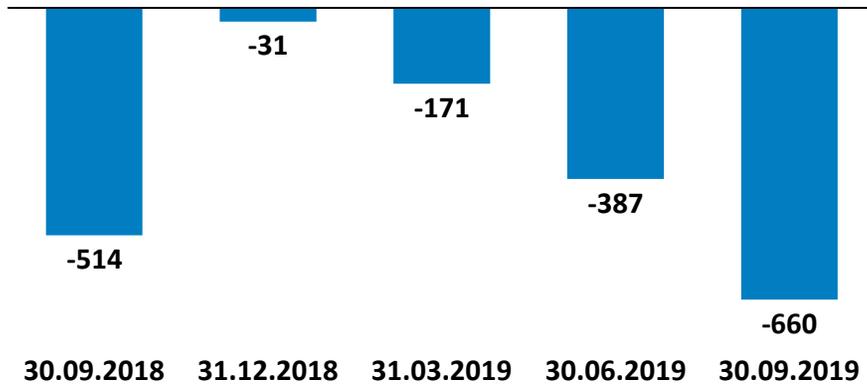
Select key data: outlook 2019

Rheinmetall Group		Automotive	Defence	
In % (Previous Year)				
Holding cost	~€25-30m (€24m)	Capex <small>(w/o IFRS 16)</small>	5.5-6% (5.5%)	3.5-4.5%(3.1%)
Tax rate	Comparable level (27%)	D&A	~5.5% (5.3% reported, scheduled 5.2%)	3-3.5% (4.8% reported, scheduled 3.7%)
Interest result	~-€40m (-€33m)	R&D <small>(self-funded)</small>	5-6% (5.4%)	2-2.5% (2.3%)

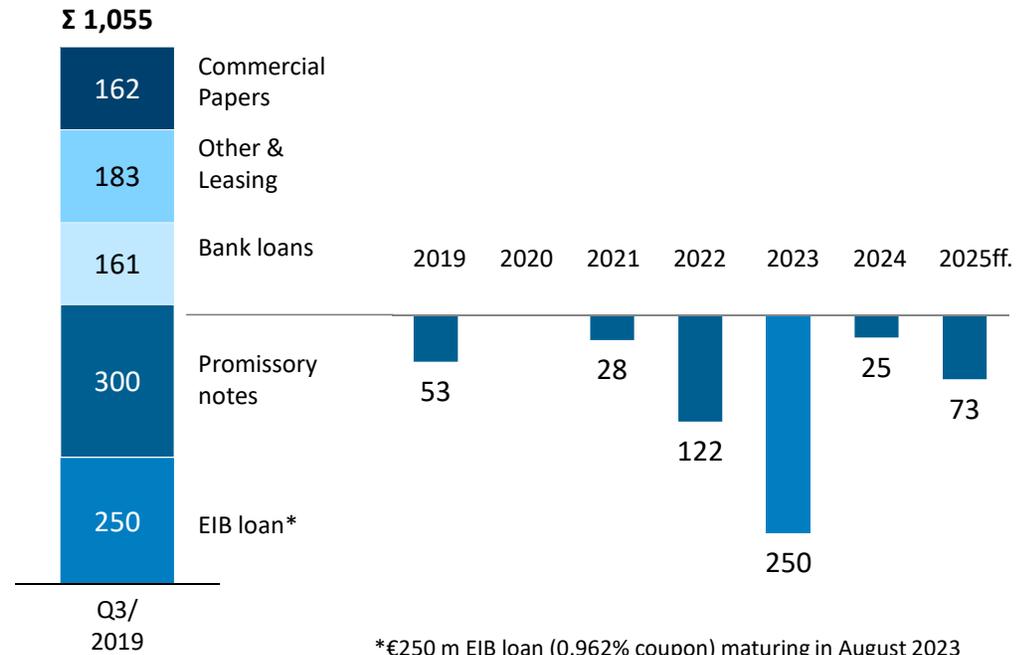
Debt

Typical seasonal increase of net debt amplified by M&A payout

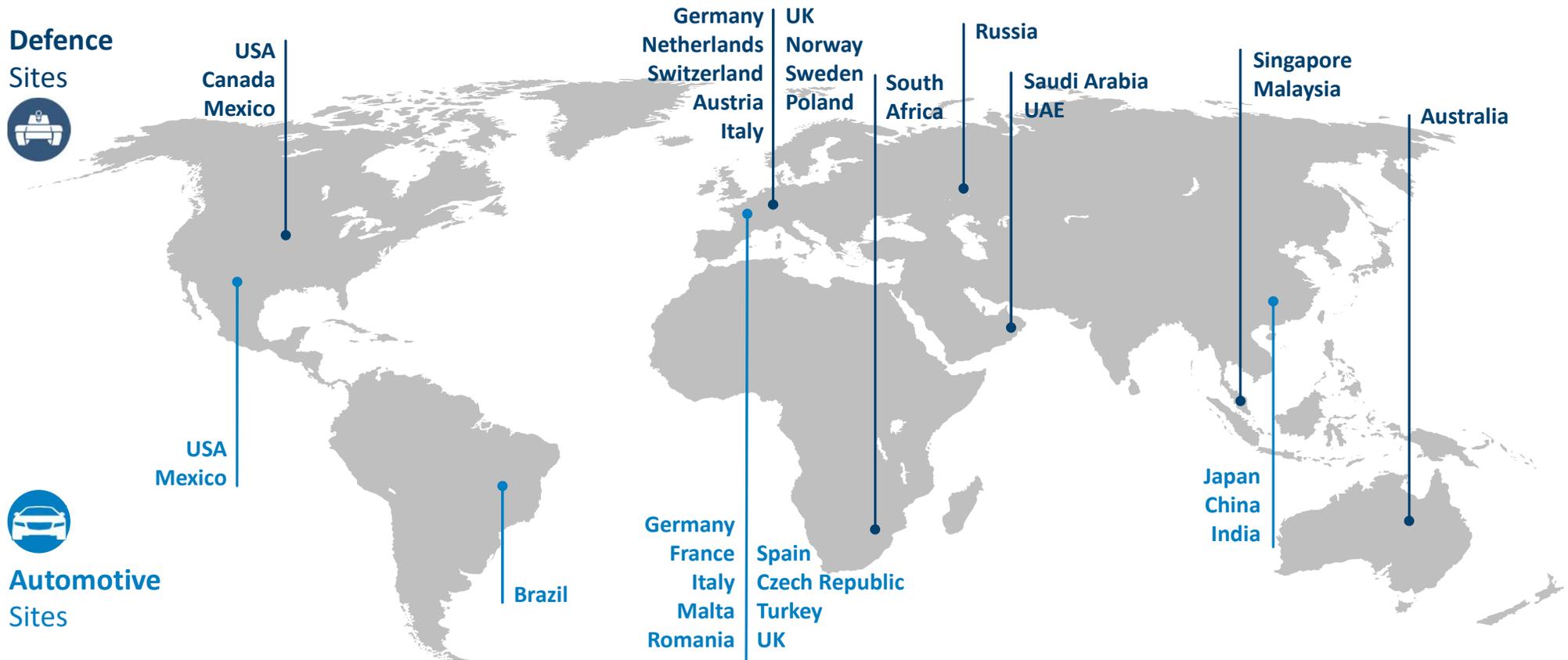
Net financial debt
in €m at quarter-end



Debt composition and maturity profile
in €m

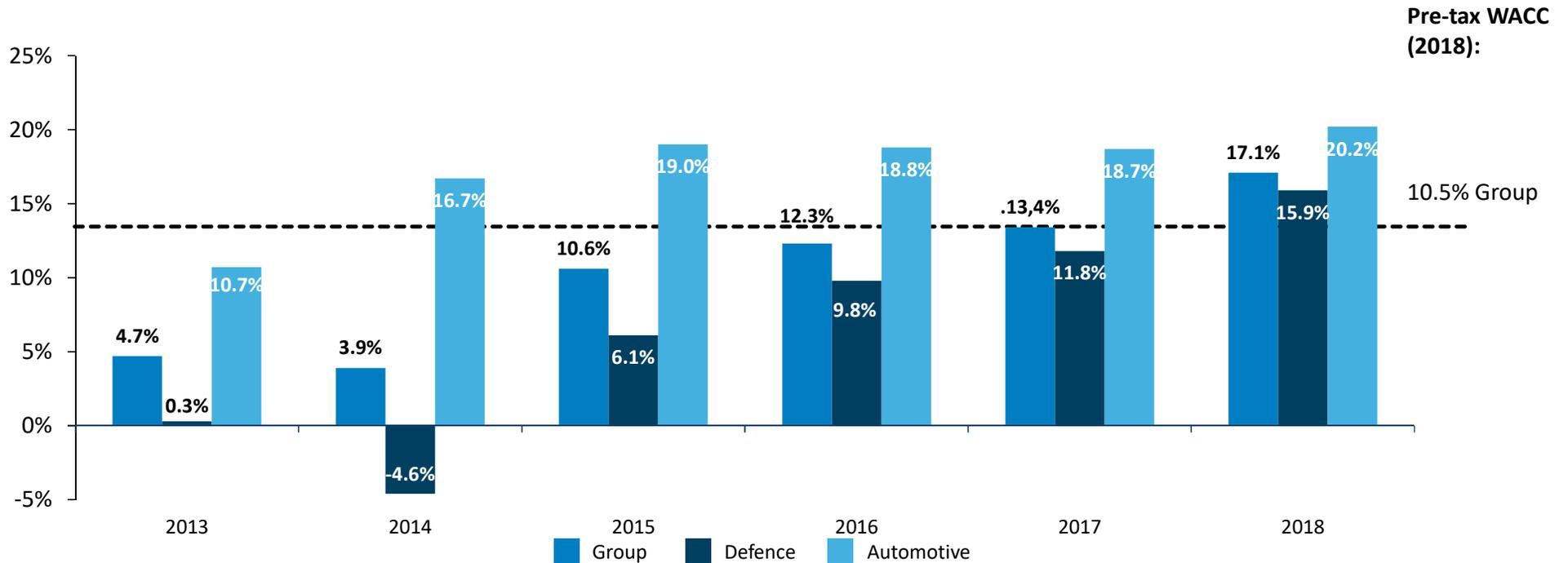


More than 100 production sites and offices on all continents



Continuing ROCE improvement

■ ROCE
in %



Board remuneration based on three building blocks

Annual target salary (100%)		
Fixum (60%)	Performance-related variable remuneration (40%)	
<ul style="list-style-type: none"> Twelve equal portions of monthly payments <p>Fringe benefits:</p> <ul style="list-style-type: none"> Pension insurance (or comparable) Company car 	<ul style="list-style-type: none"> Short term incentive <ul style="list-style-type: none"> KPI: EBT, ROCE (each 50%) Reference: Budget Range: 0 - 200% Escalators: 0% - <70% - < 110% 0% linear to max. 200% Payout: cash 	<ul style="list-style-type: none"> Long-term incentive <ul style="list-style-type: none"> KPI: Average adjusted EBT of the last three years (EBT capped at €300m) Payout: In shares and cash* with 4 year lock-up period <p><small>*for related tax payments</small></p>

ESG

High importance for Rheinmetall

Environment



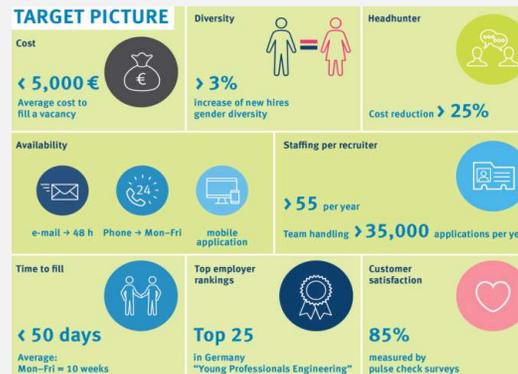
- **Reduction of the ecological footprint**
 - Decrease of energy needed
 - Selective use of raw materials
- **„Road to 95“ and E-mobility**
 - Our products increase fuel efficiency
 - New e-bike, e-motor and battery pack
- **Support of conservation**
- **Transformation of the former production site in Düsseldorf**



Social



- **Clear statement against cluster munition**
- **Promoting education and training**
- **Support of gender diversity**
 - Women in management
- **Workforce**
 - Integration of refugees via apprenticeships
 - Support of employee families



Governance



- **Transparency towards customer, investors and other stakeholder**
- **Non-compliant business behavior is unacceptable**
- **Zero tolerance of corruption and fraud**
- **Central Compliance Management System**
 - Employee awareness initiative



Next events and IR contacts

■ Next Events

Commerzbank GIS, New York

13-15 January 2020

Baader Helvea, Toronto

16 January 2020

Unicredit Kepler Cheuvreux GCC, Frankfurt

20-21 January 2020

Bankhaus Lampe Conference, London

30 January 2020

FY Provisional figures

2 March 2020

FY Earnings release

18 March 2020

Bank of America Merrill Lynch, Global Industrials Conference

19 March 2020

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■ Quick link to documents

Corporate Presentation



Interim Reports



Annual Reports



Disclaimer

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Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “will”, “anticipates”, “aims”, “could”, “may”, “should”, “expects”, “believes”, “intends”, “plans” or “targets”. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. In particular, such factors may have a material adverse effect on the costs and revenue development of Rheinmetall. Further, the economic downturn in Rheinmetall’s markets, and changes in interest and currency exchange rates, may also have an impact on Rheinmetall’s business development and the availability of financing on favorable conditions. The factors that could affect Rheinmetall’s future financial results are discussed more fully in Rheinmetall’s most recent annual and quarterly reports which can be found on its website at www.rheinmetall.com.

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